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**CHINA AND THE STAKES IN ASIA** • *Article by Alfred  
Lo S. Jenkins* . . . . . 1

**NORTH ATLANTIC COUNCIL MEETING** • *Statement  
by Secretary Dulles and Text of Communiqué* . . . . . 9

**PROMOTING THE INTERNATIONAL FLOW OF PRI-  
VATE CAPITAL** • *Statements by Roger W. Straus* . . . 19

**U.N. EXTENDS MANDATE OF RELIEF AGENCY  
FOR PALESTINE REFUGEES**

*Statements by Ambassador James J. Wadsworth* . . . . . 24

*Text of Resolution* . . . . . 27

*For index see inside back cover*

JX 232  
B9



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## China and the Stakes in Asia

*by Alfred le S. Jenkins*

America has come to the fore as a world power at an especially trying and demanding time. The atomic age has arrived just when the world was beginning to find some solutions to the many problems presented to it in rapid succession by the age of steam and electricity. No one doubts that these threshold years of the atomic age through which we are passing can bring us either undreamed-of good or indescribable evil. This is the promise—and the threat—of breathtakingly rapid material progress. Whether we shall harvest the fruits of the promise or of the threat will depend upon the moral direction which humanity as a whole can give to the immense physical forces which it now possesses. This whole question is given added urgency by the highly charged situation in which a shrunken world is largely divided into two opposing camps, each possessed of the ability virtually to destroy the other.

There are many who fear that this situation can end only in mutual destruction. The Communists would appear to believe that some great holocaust is in store for mankind, inasmuch as the one recurring theme in Communist dogma is the "inevitable" fight to the finish between the Communist and capitalist worlds—despite Communist tactical protestations from time to time of peaceful intent. This seeming conviction is indeed one of the greatest dangers of communism, for it is a certainty that both men and nations tend to gravitate toward what they constantly hold before the mind's eye. I cannot believe, however, that we are inexorably moving toward some great Wagnerian catastrophe on a world scale. The universal will to live is a powerful force in God's human experiment on earth, and I cannot believe that anything as meaningful as that great experiment is destined either to explode or to fizzle out.

There is no mistaking the fact that the international problems which our country faces are many and complex, and some are exceedingly frustrating in that there does not seem to be an easy or quick solution to them. To some degree we Americans must share the guilt of all, that these problems confront our present world in the forms which they take. I believe, however, that we will be called upon to contribute to their solution in far greater measure than we may have, through sins of either commission or omission, contributed to their emergence. This is natural and right, if only because our equipment to meet them is without any doubt adequate to the challenge, provided we fully recognize and rightly use both our vast material and spiritual strength. We need to remind ourselves that our nation is in fact something new and different on the face of the earth. It is the first nation in history which at its inception was founded consciously, carefully, and prayerfully on the daring proposition that all men are created equal and which was designed to insure for each individual personal freedom and opportunity, as nearly equal and unlimited as imperfect human institutions can contrive.

I have devoted this much time to reminding ourselves both of the precarious state of our world and of the challenge which is presented to our country, because Asia's problems are peculiarly the product of these forces which have converged on the 20th century and because Asians seek precisely what we ourselves have sought and won in such gratifying measure.

Most of Asia has up to now not enjoyed much of the material, social, and political advantages which the 20th century has brought to many of the other areas of the world. It has been said that Asia for some time has had a window on the 20th century

and that it is now determined to find the door to it. This determination is as real and strong as it is natural and right. Asia will find this door, or come very near to battering down our whole structure in the attempt. The real Asian revolution of our time is aimed at very nearly the same things which we ourselves respect as man's highest values: freedom of each individual to walk upright in the dignity of his God-given manhood, the provision of material necessities and some comforts for all, and a sense of "belonging" to a group of which he can be proud. The great tragedy is that the world Communist conspiracy has with some success attempted to ride the crest of this largely readymade, truly Asian revolution, diverting it from its natural course and denying to those who have been victimized most of the things which they seek. And the irony of it is that it is the free world which has developed the institutions and the experience which can best produce those very things.

#### Asia's Stake in Asia

Our stake in Asia, while it includes our material and other investments there, has far broader meaning also. In the closely interdependent world of today everyone has a stake in what happens in Asia, and for no lesser reason than concern lest our whole human experiment on this little globe may end in an explosion rather than continue without major interruption on its evolutionary way. We, of all people, should be able to understand Asian aspirations. And we must never for one moment forget the obvious fact that it is the Asians themselves who have the greatest stake of all in Asia. It is only by holding to this truth that our own interests there will be served in the long run. The extent of Communist objectives is easily discerned: the Communists will go just as far as free men will let them. If we have learned anything in Asia in the past few years it should be the lesson that it is largely up to the threatened Asians to stop communism in Asia—with fraternal support from other free peoples where it is wanted and where it will be effective. We must, of course, in the last analysis reserve freedom of action in any area open to us when we believe our own security interests to be threatened. But the problem is a mutual one and will be solved satisfactorily only in willing and understanding concert. We sincerely believe that our stake in Asia

is in no way incompatible with Asia's own stake in Asia, and I shall speak of it in this sense.

Our stake in Asia is in fact now gravely endangered partly because for so long we and most of the West were scarcely aware that we had very high stakes there. Asian questions are the most controversial because they are perhaps the least understood. The Soviet Union, however, partly because of the dictates of geography, has always had to keep an eye on Asia. It seems to have recognized quite early those tremendous forces in Asia which are revolutionary and to have seen its opportunity to capture those forces for the sinister purposes of Russian imperialism, using as vehicle and guise the mechanism of the so-called world socialist revolution powered by the Kremlin and the Communist Party. This was made easier after World War II not only because of the increased economic misery and social ferment resulting from protracted warfare and the tremendous difficulties faced by those nations which had recently won independence, but also because of the widespread and deep resentment of previous forms of Western exploitation in the area.

The undeniable fact that Western activities in Asia also brought much that was good did little to salve injured Asian sensibilities. It is human nature that help to the weak may be resented almost as much as harm, and in some subtle ways perhaps even more. Any man worthy of the name wants to stand squarely on his own two feet and compete in industry, science, and education, rather than accept a donation and feel obligated to the donor. This is a problem which we frankly have to face in our aid programs to free peoples who want to preserve their freedom. Our intentions are good, and the need may be great—in the interest of the recipient and in our own enlightened self-interest—but the emphasis must be on fraternal help to stand up straight until we can look each other in the eye at the same level and proceed with the proper business of mutual contribution to progress.

Communism is eager to promise what Asia wants: economic plenty and even individual and national dignity. It is not too difficult to sell these false promises to people who are to a considerable extent politically inarticulate. The surprising and heartening thing is that under the circumstances communism has not made more progress than it has in postwar Asia.

Our central problem in Asia is the coming to



power of a fanatically hostile Chinese Communist regime in close partnership with the U. S. S. R., to all appearances charged by world communism with special responsibilities for Communist enslavement of the rest of Asia. In addition to the manpower of China and its material resources, largely potential, communism wants to control the industrial capacity of Japan and the food and mineral resources of Southeast Asia.

### **Communist Success in China**

A great deal has been said about the reasons for the Communist success in China, and much of this has been highly charged with emotion. This is understandable. I confess to feeling very deep emotion myself about any development which affects our national interest so greatly and which affects the lives of 600 million human beings even more immediately. But it is important to remember that one of the chief causes, if not the chief cause, of the Communist triumph in China is that the Communists successfully hoodwinked a large proportion of the Chinese people into believing that they could provide what the Chinese wanted. For countless millions this was their own plot of land; for hundreds of thousands of others, including the intelligentsia, it was enhanced national prestige. Private business was promised a relatively long life and an easy and promising transition to socialism. The workers were assured that eventually they would inherit the whole and be the masters. All of this was made even more attractive by the familiar, spurious, and always short-lived Communist device of the "United Front," by which the Communist Party purports initially to cooperate with non-Communist parties and institutions until the growth of police state controls makes this sham unnecessary.

This program, to the uninitiated Chinese, was enticing—as it appears on surface examination to many others in predominantly agrarian Asia. Communism was also portrayed as the "inevitable wave of the future" and as the newest and most progressive of all ideologies. "New" and "progressive" are particularly appealing terms to peoples who have comparatively recently and with agonizing embarrassment been forced to view some important elements in their civilization as "outmoded" and "lagging."

We know not only that communism is actually "old hat" but also that it has been tried and found

wanting in practically all respects, and particularly in those respects most essential to man's happiness and well-being. We know that Communists, conversely, in speaking of our free systems as "old," "outmoded," and "discredited," are harking back several decades to the growing pains and admitted dislocations and injustices which marked the emergence of industrial capitalism in the period of the Industrial Revolution, and that they are depicting even this adolescent age of capitalism with wild exaggeration. We know that democracy and planned capitalism have solved these problems to an amazingly successful extent, while preserving individual liberties and the drive, virility, and ever-renewed newness which free thought and essentially free enterprise and competition alone can produce—and which communism can never achieve, by its very nature. We know, indeed, that theoretical communism has proved unworkable largely because it is blind to the basic nature of humankind; that when it is tried it evolves, despite itself, into a tyrannical, bureaucratic dictatorship with privilege for the few and the most clearly stratified society imaginable.

Many Asians know none of these things, or are not convinced of them. We are trying our best to help them know the truth. I say we are trying our best; I hope we are. We estimate that the Communists are spending at least ten times as much money on their propaganda campaigns as we are in the informational aspects of our "campaign of truth." We may perhaps take some comfort from the belief that the truth, at least where it can be seen plainly, may be more cheaply and successfully marketed than even cleverly packaged falsehood.

### **Disillusionment With Communism**

Fortunately there are holes in the Iron Curtain. The truth can be seen fairly plainly in parts of Germany, and as a result 1,800,000 refugees in 5 years have chosen truth and freedom at great personal sacrifice. The truth is more clearly emerging to the Vietnamese; nearly a half million refugees have already chosen to forsake Ho Chi-minh's "paradise," taking with them what few belongings they could. In divided Korea the truth is not hard to discern, and the overwhelming majority, not only of North Korean but of Chinese prisoners of war as well, responded to the pull of

truth by forsaking ties of home and family and electing to join forces with the truth. The Chinese and North Koreans now know communism intimately, and most of them appear to want no more of it. The Communists' ill-fated Korean adventure ironically but happily established two principles which may yet prove to be their own undoing: the principle of determined collective security through the United Nations and the principle of nonforcible repatriation. The two million Chinese in British Hong Kong are close enough to stark realities to know the truth; and in Hong Kong each and every succeeding year since the Communist takeover of the mainland fewer Chinese Communist flags and more Chinese Nationalist flags have been displayed on the respective national holidays.

The gains which communism may achieve through its mammoth propaganda campaign can be more than offset under circumstances where communism in action can be clearly seen. An iron curtain is literally the shield of communism and the badge of basic failure and fear. The Communists want to obtain vital materials through barter, but they fear above all things an exchange of ideas and accurate knowledge.

For those behind the Iron Curtain knowledge has come too late to save them, at least for a while. The Chinese, among the other victims, have learned the hard way. The peasant who was promised land first actually received it, but many have already been dispossessed by the process of state collectivization; and the others, already suffering from Communist requisition of the fruits of their toil, now see the same fate in store for them. Resistance there has surely been, but the Communists have been careful to vary the pressure for collectivization in order to restrict resistance to proportions which will be manageable for their increasingly efficient police-state methods.

Perhaps the greatest of communism's failures has been with regard to food production. The march of forced collectivization has invariably left both bloodshed and famine in its wake, and further misery is surely in store for a China whose marginal subsistence level has always been precarious. At times when natural disaster is added, suffering is incalculably compounded. In the past other countries have rushed to China's aid at such times. During the recent unprecedented floods, however, while China was continuing to ship vast quantities of foodstuffs to the Soviet

Union in payment for industrial and military aid, China twice rejected offers of help from the League of Red Cross Societies. And at the same time Communist China's own radios were callously recording the magnitude of suffering visited on its people, in large measure due to the false pride of a boasting regime.

### **Inhuman Treatment in Red China**

As for other characteristics of the Red Chinese regime, everyone has read reports of the countless killings and induced suicides in connection with the so-called reform of agriculture, business, labor, education, and religion; of the turning of children against parents and of friend against friend; of mass and individual "brain-washing"; of forced labor camps; of the "People's Courts" where "justice" is made the shameless handmaiden of politics; and of the inexcusable treatment which our own businessmen and missionaries and, in the early days, our officials have received from the Chinese Communists. There are still 28 American civilians languishing in Chinese Communist jails under intolerable physical conditions, all but incommunicado, many of them without trial or even a statement of charges against them. The recent sentencing of 13 Americans on "espionage" charges is but the latest shocking chapter in the Communist mistreatment of foreign nationals, and evidence of their utter disregard for commitments which they assumed under the Korean Armistice Agreement on prisoners of war.

Even better known and documented is the external conduct of Red China, which includes overt aggression in Korea and the related defiance and contempt shown for the United Nations, in which the regime claims a seat "by right"; semicovert but very substantial aggression against Indochina; forcible occupation of Tibet; subversion and intimidation throughout Southeast Asia; unspeakable atrocities against prisoners of war; conducting an extortion racket among overseas Chinese, using relatives on the mainland as hostages; and sponsorship of a huge trade in banned narcotics in order to gain badly needed foreign exchange.

Is there no good that can be said of the regime? There is a little. The streets are reported to be cleaner, and there have been spotty advances in public health. On the other hand there appears to be a rise in tuberculosis, especially among overworked cadre and industrial workers, and an in-

creasing incidence of nervous breakdowns and other mental troubles, maladies with which China had amazingly little experience before the Communists came. There have, it is true, been some advances in industrial recovery and in new industrial enterprises. Such advances have for the most part been inefficient and wasteful of human energy and life, but these factors seem to be of minor concern to the regime, which is bent upon building a heavy-industry base. Communist China's 5-year program, however, is seriously behind schedule. The Communists lack trained technical and managerial personnel, and there are indications that the Chinese are not as impressed as their propaganda would have one believe with their results in emulating "advanced Soviet methods."

### **Tremendous Energy in "New China"**

It would be a mistake to assume, however, that there is not tremendous force behind the so-called "New China." Most of this force derives from the energy of the true Asian revolution, which in China has been captured and imperfectly but dangerously harnessed by communism—but force is there. In a few areas, and at ghastly cost in others, communism itself has been able to supply in limited and usually warped form a few of the things which the Chinese sought and needed. Communism has succeeded to some extent in flattening youth and women by giving them difficult and important jobs to do. Insofar as communism with its demands and challenges resembles a religion, albeit a perverted and materialistic one, it has helped fill the uncomfortable vacuum left by the earlier breakdown of the ancient Confucian morality and of the closely knit, authoritarian family. Last but not least, the Chinese Communist regime, while it has certainly not brought to the Chinese a national dignity by its lawless acts, has managed to get very much into the limelight and with Soviet help has achieved a military potential of menacing proportions. Although Communist China was at the Geneva Conference largely because it was the chief instigator of the troubles which the Conference itself was designed to settle, its presence there inescapably gave it added "prestige." Even those Chinese who in their hearts oppose the regime must derive some satisfaction from this "prestige," even though they may have vastly preferred that it be attained by more honorable means.

China and the Soviet Union are losing no time in attempting to capitalize on the Mao regime's growing prominence, in an attempt to gain it international acceptance, through wider diplomatic recognition and a seat in the United Nations. The current Communist tactic of a "peace offensive" is admirably suited to the need quickly to garb the Mao regime in respectability. The Sino-Soviet agreements of October 12, 1954, seem especially to be designed further to increase Communist China's prestige and at the same time to give at least the surface appearance that Communist nations can deal with each other on the basis of equality and reciprocity. We have all along considered the Red Chinese regime as a willing accomplice of the Soviets and, as such, a sort of junior partner rather than a full-fledged satellite in the Eastern European sense. These agreements strengthen this view and at least on the surface appear to create a kind of Moscow-Peiping axis within the Communist orbit, in further contrast to Moscow's relations with its Eastern European satellites. This surface "government-to-government" camaraderie, however, does not necessarily alter the subsurface unified Communist Party control of both governments.

We have learned to be wary of frenzied Communist protestations of peaceful intent such as are now issuing forth with stereotyped consistency from all Communist capitals. I doubt that under present conditions of the world the Communists want a big war. But experience has shown that they are never averse to small wars if they think their ends can be gained thereby. The trouble is that we may not always succeed in preventing small wars from growing. Communists consider that in a very real sense they are always at war with the non-Communist world and that periods of cease-fire are but a tactic of expediency in a continuing war. Peace is but the other side of the war coin. George Orwell may prove to be one of the most perspicacious writers of our time.

The Communists need a "breather" now, and they will doubtless get it. The free world is not going to start a war. For that reason they can get a "breather" any time they want it and for a duration of precisely their own determining. This is a great advantage for them, but I see no sensible way out of it. At the same time, so long as the Communists are the self-proclaimed mortal enemy of all who are not in their camp (in their eyes, and by their own admission, they recognize



no "neutrals"), I can see no rhyme nor reason whatsoever in helping them to solve their great internal difficulties, in helping them to make the most of these breathing spells which they can always have. A "peace offensive" for their purposes is in large measure a bid for trade—especially trade in strategic materials in which they are short—and in this instance also a bid for full free-world acceptance of Communist China into the family of nations.

### Question of Recognition

We do not recognize the regime of Mao Tse-tung as representing the will of the masses of Chinese people, for whom we continue to have the deepest feelings of friendship. We cannot recognize this regime, and we consider it inconceivable that it should be seated in the United Nations when its entire 5-year history has been a clear denial of the basic principles on which that organization is founded.

We are determined in our support of Free China because we believe not only that it more truly represents the wishes of the Chinese people than does the Peiping regime but also that it better serves the interests of the free world as a whole, as well as our own interests. The Government of the Republic of China has made great strides in many areas during its time on Formosa. We will not forsake the people of Free China. It would clearly be the height of injustice to allow the 10 million Chinese there to fall under Communist sway against their clearly demonstrated wishes. These people know communism. Many of them have relatives on the mainland who have suffered greatly due to the excesses of the mainland regime. Furthermore, if there were not a free Chinese government which is a going and growing concern, the Chinese Communists would have a much stronger hand among the 12 million overseas Chinese throughout Southeast Asia. The direct and indirect influence which could then be more effectively wielded by the Communists in the economic and political life of these countries would be dangerously enhanced.

In addition to Communist China the only territorial gains which communism has made in Asia are in North Korea and North Viet-Nam. These gains are tragic, most of all for the peoples directly affected. But there is much from which we can take encouragement. For one thing, no

group of people has yet voted itself into communism. The precedent of collective action against overt aggression gives us hope that this road may be forever closed to communism, and the growing awareness among Asians of the reality of Communist threats gives us hope that infiltration and subversion will be increasingly difficult. Our military support and technical cooperation programs in the Far East are proof of our desire to assist the independent governments of the area in their difficult tasks of meeting defense needs and at the same time building stable and progressive societies patterned on democratic principles.

I do not begin to believe that the Communists are pursuing with masterly skill an infallible blueprint of strategy in Asia or anywhere else. In Japan the Communists counted upon a long and unpopular occupation and upon economic distress to make the Japanese people turn to communism. This has not happened. Japan has now resumed an honorable place in the community of nations and despite some unsolved economic difficulties has made a most impressive recovery. The Communist aggression in Korea was not only thrown back; it established the two very important principles of collective action against aggression and of nonforcible repatriation. The Communists have met with a near total defeat in the Philippines, after a period which must have given them considerable cause for hope. Indonesia, according to the Communist timetable, was to have fallen some 4 years ago, but the Communist uprising at that time was put down with determined effectiveness. The Communists have gotten virtually nowhere in Thailand, Burma, or India. Communist-led rebels in Malaya are still a problem, but less so than was the case some months ago. There appears to be a real determination on the part of the free peoples of the Associated States to remain free, and the recent pact signed at Manila should help insure that this will be possible. Edmund Burke once said, "The only thing necessary for the triumph of evil is for good men to do nothing." Asians are increasingly aware that there are things to be done if their freedom—in many cases recently won—is to be safeguarded. And in the last analysis, the only effective anticommunism in Asia must be Asian.

We should not be overly concerned by differences which may be debated among the free-world nations. In areas of free speech things are never so bad as they sound, just as in areas of controlled



speech things are never so good as they sound. There will be differences among free friends. But dependable friendship is needed in order to preserve freedom, and I believe that this is a deep conviction of the free world. We cannot go it alone and we have no desire to try it. We will all make some mistakes, for our governments are made up of human beings; but our aim is to achieve the highest possible degree of fraternal concert with our friends.

Asia is determined to find a new day. Whatever else may be in doubt in that changing continent, it is a certainty that a determined effort is going to be made by Asians to better their lot—through whatever auspices appear to them most attractive.

The whole world has high stakes in Asia, and we, the wealthiest and most powerful nation in the free world, have special and inescapable responsibilities for the outcome in Asia, although the solution in the last analysis must be essentially of, by, and for Asians.

Recently a great friend of the American people, and one of the great men of all time, Winston Churchill, had this to say of the United States: "There is no other case of a nation arriving at the summit of world power, seeking no territorial gain, but earnestly resolved to use her strength and wealth in the cause of progress and freedom." God grant that our nation will always measure up to this great compliment. As long as it does, provided we look also to defense through material strength, that spiritual drive which is the indispensable ingredient of the American spirit will afford us at least the surest security which can be had, in a future which must be dangerous and adventuresome at best. For this I believe, and I believe it more the longer I watch events in both hemispheres: a nation, like a man, can in the long run, and especially in things that really matter, reap only what has first been sown.

It is true that the real battle between communism and the free world is for the minds and hearts of men. It must be demonstrated beyond the power of iron curtains to hide that free systems of government and economy can inspire the hearts, tap the energies, and meet the needs of mankind incomparably better than can systems of state regimentation and control. This is the battle which we welcome, for we can win that battle. But we and the free world must survive, in order to fight it. We cannot afford to allow ourselves to be lulled into a sense of false security by the

"peace offensive" soporific. Certainly at the same time we must continually seek safe avenues to a more peaceful world. As President Eisenhower recently put it, "Since the advent of nuclear weapons, it seems clear that there is no longer any alternative to peace, if there is to be a happy and well world." But we must keep our guard up. Our guard is up at present. I know of no spot in the free world which the Communists today can attack with impunity. We must keep it that way.

• *Mr. Jenkins, author of the above article, is Officer in Charge of Political Affairs, Office of Chinese Affairs. His article is based on recent addresses.*

## North Atlantic Council Meets at Paris

### NEWS CONFERENCE STATEMENT BY SECRETARY DULLES

Press release 726 dated December 21

I returned yesterday from the Paris meeting of the NATO Council. The communique which was issued reports in summary form what took place. I would like to comment briefly on two items in the communique.

The first was the statement that Soviet policy continues to be directed toward weakening and dividing the Western nations and that the threat to the free world has not diminished. It is significant that there was complete agreement on this proposition by all of the 14 nations represented on the NATO Council.

During the course of the discussion of this matter at the Council, I made a statement on behalf of the United States delegation in which I said that Soviet policy is like a powerful stream, the surface of which is sometimes ruffled, the surface of which is sometimes calm, but that we cannot judge the force and direction of the current merely by looking at the surface manifestations. The important thing, I said, is that we should proceed in our own way, steadily building our own strength and our own unity upon which our strength depends. There were, I said, three great dangers to be avoided:

(1) that we might by surface calm of the Soviet stream be lulled into a false sense of security;

(2) that by the rough appearance of the Soviet stream we might be frightened into a state of paralysis, or

(3) be provoked into ill-considered and divisive action.

In developing the first danger, I pointed out that behind the recent Soviet peace offensive was to be found ever-increasing military strength far beyond defensive needs and the development of subversive activities in every free country, and notably attempts to exploit the theme of colonialism so as to divide and weaken the free world.

In connection with the second danger—being frightened into inaction—I quoted violent Soviet threats which had been directed against the West in connection with the Marshall plan, the adoption of the North Atlantic Treaty, the adherence of Turkey to the North Atlantic Treaty, the development of the Federal German Republic in West Germany, and against Yugoslavia when it broke loose from the Soviet Communist orbit. At that time, the Soviet Union denounced the treaty of friendship which had been made in 1945 between Yugoslavia and the Soviet Union.

I recalled that, at the time of the conclusion of the Japanese peace treaty, the Communists had suggested that, since the peace was not joined in by the Soviet Union, it was a separate peace which violated the armistice and that the Soviet Union would be free to resume hostilities.

There is a striking parallel in the past to what is going on in the present. I expressed confidence that, if we persist in building defensive strength and unity in Western Europe, it will actually promote peace.

To illustrate the third danger of being provoked into rash and divisive action, I referred to the provocation to which the United States is now being subjected by Communist China and the patience being demonstrated by our country under the direction of President Eisenhower.

I took occasion to thank the NATO nations which were members of the United Nations for their support of the recent United Nations resolution<sup>1</sup> condemning the Chinese Communists and calling for the liberation of our wrongfully imprisoned airmen.

The second item of the agenda to which I would allude is that which reports the approval of a report by the Military Committee which defined the

most effective pattern of NATO military defensive strength for the next few years, taking into account modern developments and weapons and techniques.

This report, which assumes a unity that includes Western Germany, shows for the first time the means of developing a forward strategy which could be relied on to protect Western Europe from invasion. As that capability is developed, it will surely constitute the strongest deterrent against military aggression. Furthermore, it will assure that, if unhappily aggression should be attempted, it would not succeed and that the aggressor would be thrown back at the threshold. Thus we see the means of achieving what the people of Western Europe have long sought—that is, a form of security which, while having as its first objective the preservation of peace, would also be adequate for defense and which would not put Western Europe in a position of having to be liberated.

The Council action made it clear that, in improving the report, it did so for the purposes of planning and preparation and that this did not involve a delegation to the military in a field which is properly the responsibility of governments with respect to putting plans into action in the event of hostilities. The situation is thus normal in this respect. In this country, as in the other NATO countries, it is the civil authorities of government and not the military who make the grave decisions. That, of course, will be the situation as regards the North Atlantic Treaty Organization.

The Council meeting showed a spirit of fellowship and a spirit of optimism which grew out of the prospect that the Western European unity planned by the recent London and Paris accords would shortly become an accomplished fact and thus both strengthen NATO and assure that it will effectively serve its purpose in deterring aggression and preserving peace.

#### TEXT OF COMMUNIQUE

*Following is the text of a communique issued at Paris on December 18 by the North Atlantic Council at the close of a 2-day session:*

1. The North Atlantic Council, meeting in Paris in ministerial session under the chairmanship of Mr. Stephanos Stephanopoulos, Foreign Minister of Greece, completed its work today. It

<sup>1</sup> BULLETIN of Dec. 20, 1954, p. 932.

was attended by ministers of foreign affairs, defence, finance, economic affairs and defence production.

2. The Council noted the progress report by the Secretary General covering activities and developments in the organization during the past twelve months.

Ministers welcomed the extension of political consultation within the Council.

They noted with interest the steady progress in the infrastructure programmes and in emergency planning in the civil field, and recommended the continuation of these studies and of this work, in particular in civil defence.

The report referred to the dissemination of information about NATO and to the forthcoming publication of the Secretary General's five-year report. It also emphasized the value of the visits of parliamentarians, of the development of voluntary organizations interested in NATO, and of the tours of journalists to member countries.

3. In accordance with its regular practice, the Council exchanged views on matters of common concern in the international situation.

The Council welcomed the efforts being made under the aegis of the United Nations for a worldwide agreement for a general limitation and control of armaments.

4. The Council agreed that Soviet policy, backed as it is by ever-increasing military power, continues, in spite of some outward signs of flexibility, to be directed towards weakening and dividing the Western nations. Soviet policy contributes no constructive solution for ensuring world security and for maintaining the freedom of peoples. It provides no ground for believing that the threat to the free world has diminished.

The Council reaffirmed its will to build for peace on solid foundations of unity and strength. The Council noted with satisfaction the progress which has been made towards bringing into effect the Paris Agreements which it regards as an essential contribution to the unity of Europe, to the security of the free world, and thereby to the cause of peace.

5. The Council took note of a progress report submitted by the Military Committee. It noted with satisfaction that a request by SACEUR [Supreme Allied Commander Europe] had led to negotiations between the Netherlands and the United States, the recent completion of which will

permit the establishment of a SHAPE [Supreme Headquarters, Allied Powers in Europe] air defence technical centre in The Hague at which scientists of all member nations will be able to contribute to the development of air defence. The Council also noted that the NATO Defence College, now in its fourth year, has made a valuable contribution of qualified personnel to staffs and agencies of NATO and of member governments.

6. The Council considered a report by the Military Committee on the most effective pattern of NATO military defensive strength over the next few years, taking into account modern developments in weapons and techniques. It approved this report as a basis for defence planning and preparations by the NATO military authorities, noting that this approval did not involve the delegation of the responsibility of governments to make decisions for putting plans into action in the event of hostilities.

7. The Council considered the report on the annual review for 1954, which sets forth the co-ordinated NATO defence programmes for the next three years. The review was based on the Council directive adopted in December, 1953, that it would be necessary for member countries to support over a long period forces which, by their balance, quality and efficiency, would be a major factor in deterring aggression.

The ministers considered and accepted as military guidance a report by the Military Committee giving its comments on the 1954 annual review. This report stressed that the level of forces for the defence of the NATO area should be maintained as planned.

The Council noted that there had been an increase in the strength of NATO forces and further steady improvement in their efficiency over the past year. This improvement in quality resulted primarily from the large-scale combined exercises held by NATO land, sea and air forces, from the increases in operational and support units and from the supply of large quantities of new equipment.

The Council expressed its satisfaction at the expansion of European production of defence equipment as well as the continued provision of North American equipment, and urged continued co-operation in research and development.

Following the recommendations made in the annual review report, the Council adopted firm force goals for 1955, provisional goals for 1956 and

planning goals for 1957. The force goals agreed upon for 1955 are of about the same numerical strength as those for 1954, but further improvements in training, equipment and effectiveness are provided for. The German defence contribution under the Paris Agreements remains, in the opinion of the Council, an indispensable addition to the defence effort of the West.

8. The Council noted with satisfaction the encouraging economic developments in many member countries over the past year and particularly the expansion of production in several European countries. The additional resources thus made available have enabled further improvements to be made in general welfare and social progress, while at the same time permitting a continued contribution towards increases in the strength and effectiveness of NATO forces. The Council recognised that further steady growth in the economic strength of the alliance as a whole is essential in order to preserve and increase the well-being and security of all member countries, and that to this end it is necessary to strengthen economic cooperation between member countries.

## Strategic Concept

Press release 728 dated December 21

*At his news conference on December 21, Secretary Dulles was asked a series of questions relating to whether or not a reduction in military forces meant a corresponding reduction in U.S. military effectiveness and the effect upon U.S. commitments throughout the world. He was asked, initially, whether there is a contradictory element in defending nations subject to possible Communist aggression in the Far East and at the same time planning for the withdrawal of existing forces there. Mr. Dulles made the following reply:*

No, there is no contradiction of American policy. In fact, that is a consummation of American policy which has been set forth rather clearly. Almost exactly a year ago today—I think it was on December 26—the President announced the first deployment of United States troops from Korea and he said that that was part of the policy which we were adopting of depending in that area primarily upon mobile striking power rather than upon having in place enough troops themselves to throw back an assault.<sup>1</sup>

<sup>1</sup> BULLETIN of Jan. 4, 1954, p. 14.

It is the basic conception of the United States and its present policy that it is not possible for the United States or, indeed, for the United States and its allies to maintain at all danger points around the Soviet orbit of some 20,000 miles enough forces in place to withstand an assault at each one of the points where the Soviet Union or its Chinese Communist allies could launch a land attack. The attempt to do that would be futile, and it would mean real strength nowhere and bankruptcy everywhere. Therefore, we are relying in most of the areas of the world primarily upon the deterrent of striking power as an effective defense.

You may recall that at the time of the signature of the Korean Armistice there was signed a declaration by the 16 nations that participated in the fighting under the United Nations Command, a declaration that, if the Communist attack should be resumed, it would not, probably, be possible to confine the reaction to Korea itself.<sup>2</sup>

That was an initial declaration of the fact that we relied primarily as a deterrent upon our power to strike in areas which were beyond the immediate area which the enemy picked for his hostilities. The processes of building up a strategic reserve of land forces and relying at the front line primarily on sea and air power is a policy which we adopted over a year ago, and what is going on now is merely an application of that policy.

To elaborate further, when I was at Manila and we were drawing up the Manila Pact for South-east Asia, we had a discussion there as to whether or not under that pact an effort would be made to create in the danger areas of the treaty area enough forces to resist open armed attack. We pointed out that neither the United States nor, we thought, the other members of the treaty could do that without gravely weakening themselves at other points and that it would be necessary to rely primarily upon the deterrent of mobile power—sea and air power—to prevent an open, armed attack and that the task in these areas covered by the treaty would be primarily the task of creating local forces as against subversion—internal security forces. The present thinking in relation to the French and Vietnamese forces in Southern Viet-Nam is within the pattern which I have described, namely, to try to have there sufficient forces to maintain internal order and to prevent

<sup>2</sup> *Ibid.*, Aug. 24, 1953, p. 247.



revolutionary activities, but not to rely upon those forces primarily in the event there should be open general war.

*Asked whether our policy with respect to Viet-Nam is to build up forces primarily for internal security purposes, and whether that means that we abandon the old idea under the Navarre Plan to build up native forces sufficiently strong to defend themselves, Secretary Dulles replied:*

Of course the Navarre Plan was a plan designed to cope with a war which was actually in being. At the present time the assumption is that the Manila Pact will deter the Viet Minh or the Chinese Communists from open armed aggression against the area and that, therefore, the principal task is to have a security force adequate to maintain internal order and to prevent a subversion which might by internal means take the government over. That task itself would be a hard enough task. I do not think that the people are able to bear the additional task of trying to create an army able to fight an invasion if it occurs. If that occurs, then there will be, presumably, a reaction under the Manila treaty.

*Asked for an estimate of our power or the power of our allies to stop subversion, Secretary Dulles replied:*

The capacity to resist that subversive activity must in each case be primarily dependent upon the local government. That is nothing which can be totally supplied from without. Generally speaking, the experience has been that governments of countries, even though relatively weak in a military way, were immune from overthrow by Communist-inspired revolution so long as they were responsive to the will of the people and had popular support and so long as they had a security force that was loyal to them and efficient.

Under those conditions there has not been an effort to take such countries over. Possibly an exception should be made in the case of countries which were directly under the menace of Soviet armies and where there was a fear of invasion or where there was, in fact, occupation—which occurred in some of the eastern European countries after the last world war. But there seems to be some evidence to suggest at least that the Soviet Communists do not indulge in an open brutal act of attempting to overthrow a country by a Communist-inspired revolution from within if it would

clearly show their hand and expose the perfidy of their propaganda throughout the world that they are a benevolent force, a peace-loving country, one that wants to help. Therefore, it seems that their activities are somewhat limited by their own worldwide propaganda where there are countries, even though they may be small and weak, which have a real will to resist, which have a government that has popular support, and which have a reasonably efficient security force of their own. There is a large measure of insurance under those circumstances.

*Asked whether the reduction in military manpower would adversely affect our deterrent to aggression, whether it would detract from our ability to negotiate from strength or to carry out our relations with other countries, Secretary Dulles replied:*

No. It will not affect it at all. We shall have more strength increasingly every year. When there is a tremendous development—evolutionary development in terms of weapons—it isn't logical at all to assume that your strength depends upon keeping in being precisely what used to be under other conditions a principal means of force. Let us suppose, for example, at the time when gunpowder was invented a certain nation had a lot of people armed with crossbows. Would you think it involved a diminishing of their strength if they began to reduce somewhat the number of people armed with crossbows? I am not suggesting there is an exact parallel there, but I am suggesting that, as there is an evolution in tactics or strategy due to the creation of new weapons, there need to be adjustments. Now, there is need for and probably always will be need for a certain number of land forces. I am not suggesting land forces have become obsolete by any means. But I do suggest there has to be an adaptability and flexibility. If any change is looked upon as weakness, that is a completely false judgment of the situation. We believe that the United States, as a result of these changes which are occurring—the shift in emphasis and the dependence upon new types of defensive and offensive mechanisms—is becoming steadily stronger.

The present policies will gradually involve the use of atomic weapons as conventional weapons for tactical purposes. If that occurs and there is a replacement of what is now known as conven-

tional weapons by a different type of weapon, they will, of course, be used.

There is, of course, a great difference between the tactical use of weapons and the strategic use of weapons. That distinction is not peculiar to atomic weapons. The same distinction existed during the last war when there came the question as to whether or not to carry out the bombing of German cities. The question of whether or not to use weapons of any kind for massive retaliation and mass destruction is a question which poses itself in any war.

As I say, it is not distinctive to the use of atomic weapons, which are merely weapons which have greater destructive capacities than the former weapons. But, in turn, former weapons had far greater destructive capacity than the weapons that were known before then. There has been a progressive increase throughout history of the destructive capacity of weapons. That always brings with it these problems as to whether you use them for tactical purposes or for so-called strategic purposes. That issue is one which has to be resolved in light of the facts of each case.

*Asked if it were possible to reduce the overall strength of U.S. military forces without reducing either the forces carrying out the worldwide commitments or the centrally placed strategic reserve, Mr. Dulles replied:*

Well, the cuts to which you refer are primarily a reduction in the strength of the land forces in being at the moment. It doesn't apply to reserve forces or the like. Now it is deemed entirely consistent with the United States commitments and United States policies to make those reductions. If it were not the case, they would not be made, I can assure you.

In the first place, there is no present intention of taking any U.S. troops out of Europe. That is one situation where we are not relying exclusively by any means upon the deterrent of striking power but also on defense in being. The reason for that is that Western Europe is a prize of such unique value that an aggressor might try to grab Western Europe even at the risk of very material losses to himself. There is no comparable situation elsewhere in the world. Therefore, it seems in the main that the deterrent of mobile power would be sufficient.

*Asked whether he would consider it to be a dangerous threat if, as a consequence of the Ameri-*

*can cuts in manpower, the Western European powers started cutting their manpower too, the Secretary replied:*

If you are going to do what I suggested, namely, maintain in Western Europe, which is an especially valuable asset to a potential aggressor—if you are going to try to maintain there forces in being, which is the present strategy, then it would be unfortunate if there were to be a cut in the forces of the Western European countries.

As I said, the United States is not planning any reduction, at the present time, at least, of its forces in Europe. But the policy in relation to Western Europe—the military policy—is, for the reasons I indicated, different from the policy applicable to the other areas of the world, which perhaps do not require the same supplement in the way of defense in being that is required of Western Europe.

*Asked whether the military manpower reductions are the result of reappraisal of Russian intentions or any feeling war is farther away or are simply the result of technological improvements, Secretary Dulles replied:*

The reductions are not due to the fact that we consider the threat has diminished but merely due to the fact that we think that we have other ways to cope with that threat.

## Release of Balloon Leaflets Over Hungary

### TEXT OF U. S. NOTE

Press release 723 dated December 20

*The American Legation at Budapest on December 17 delivered the following note to the Hungarian Ministry for Foreign Affairs in reply to the Hungarian protest of October 15, 1954, concerning the release of balloon leaflets over Hungary by the Crusade for Freedom and Radio Free Europe.*

The Legation of the United States of America presents its compliments to the Ministry for Foreign Affairs of the Hungarian People's Republic and has the honor to refer to the Ministry's note of October 15, 1954, concerning leaflets carried by balloons into Hungary.

The Legation is instructed by the United States Government to state that the activity in question was undertaken by the Crusade for Freedom and Radio Free Europe on their own initiative and responsibility. These are private organizations established and supported by private American citizens. It is only natural that they should take an interest in the welfare of the Hungarian people and seek some means of communication with them. If unusual methods have been adopted, this is due solely to the actions of the Hungarian Government and to those in and outside of Hungary who may be responsible for the policy of erecting barriers against normal intercourse among peoples. This policy has been pursued to such a degree that even the airwaves in Hungary are artificially jammed to prevent as far as possible communication by radio.

Since this matter was called to its attention, the Government of the United States has obtained copies of the balloon leaflets and carefully examined their content. These leaflets suggest only that the people of Hungary employ legal means to achieve realization of rights theoretically assured them by their Constitution and, in many instances, explicitly guaranteed under the Treaty of Peace. The Government of the United States is at a loss, therefore, to understand the basis of the Hungarian Government's concern and more specifically on what grounds it apparently finds repugnant the points made in the leaflets that the Hungarian Government could improve the condition of the Hungarian people by:

a. In practice, vesting real authority in popularly chosen Local Councils, constitutionally responsible and accountable to the local population;

b. Enforcing in practice the constitutional guarantees of free speech and assembly;

c. Assuring in practice the constitutional guarantee of equality before the law;

d. Guaranteeing in practice the right of the working peasant to a just share of the fruits of his labor;

e. Respecting in practice responsibility of the working people freely to organize for the protection of their interests against all exploitation;

f. Observance in practice of the constitutional right of the workers to proper rest and recreation, as well as other benefits necessary for a decent livelihood;

g. Affirmation in practice that, to protect the wealth of the Hungarian community, the economic welfare of the Hungarian people must transcend the demands resulting from foreign economic levies;

h. Recognition in practice that the forced nationalization of consumer goods outlets and services has deprived the Hungarian people not only of an important element of their guaranteed personal liberty, but also of their legitimate material needs;

i. Realizing in practice the requirement for adequate housing to assist in protecting the institutions of marriage and family;

j. Establishing in practice the principle of free education and scholarly inquiry, and the constitutional right of freedom of worship and conscience.

The United States Government does not believe that any of the above suggestions can be considered either "inciting," "slandorous," or "seditious." Certain of the highest officials of the Hungarian Government apparently share this belief as in recent months they publicly criticized present conditions in Hungary including references to flagrant abuses of police power and judicial processes as well as deep-seated economic ills and political tensions. The leaflets in question merely make suggestions concerning practical means whereby some admitted shortcomings may be corrected.

The United States Government desires to take this occasion to reiterate its belief in international freedom of communication and to express its conviction that steps in achieving peaceful relations between peoples will be frustrated so long as governments attempt to isolate and silence their own people. In this connection it is noted that Hungarian Government representatives attended the recent Montevideo Conference of the United Nations Educational, Scientific and Cultural Organization and that the Hungarian delegation joined all other delegations in adopting by acclamation the resolution entitled "Measures to Promote the Use of Means of Mass Communication to Increase Mutual Confidence and Understanding Among the Peoples of the World." This resolution among other things invites all members of UNESCO to take the necessary measures to assure freedom of expression and to remove barriers to the free flow of undistorted information between member states.

The United States Government hopes that the day will come when balloons will no longer be necessary as a means by which the people of one country may freely communicate with peoples in other lands. Presumably it is within the power of the Hungarian Government to take the necessary remedial action. Should the Hungarian Gov-

ernment, in conformity with the obligations it assumed toward the United States and other signatories of Article Two of the Treaty of Peace, establish freedom of discussion, opinion, and assembly within the country and, in accordance with the spirit of that Article and the above-cited UNESCO resolution, remove existing barriers to free interchange with the outside world, the need for friends of the Hungarian people to resort to unconventional means of communications will no longer exist.

### **Nelson A. Rockefeller Appointed Special Assistant to the President**

*The White House on December 16 made public the following letter from the President to Nelson A. Rockefeller and on the same date announced Mr. Rockefeller's resignation as Under Secretary of the Department of Health, Education and Welfare.*

DEAR MR. ROCKEFELLER: An outstanding characteristic of our nation, I believe, is a constant endeavor to insure each citizen the fullest possible opportunity to develop himself spiritually, socially and economically. Faith in the individual, in his dignity and in his capacity for achievement is a basic principle of our system. The history of America is the story of men and women who came to these shores from all parts of the world and who have made full use of their opportunities, not only for themselves but in order that others might benefit. Of such is our strength.

It is my conviction that all the peoples of the world share the same human cravings for freedom and for opportunities to win economic and social advancement. In keeping with our heritage we seek to join with all peoples in a common effort to achieve and sustain the basic essentials of human dignity.

It is time for all of us to renew our faith in ourselves and in our fellow men. The whole world has been far too preoccupied with fears. It is time for people throughout the world to think again of hopes, of the progress that is within reach.

So that these matters may have the increased degree of attention they deserve, not only in the Departments and agencies but especially within my immediate staff, I hereby appoint you as

Special Assistant to the President. I shall look to you for advice and assistance in the development of increased understanding and cooperation among all peoples. I shall also look to you for assistance in reviewing and developing methods and programs by which the various Departments and agencies of the government may effectively contribute to such cooperation and understanding.

You are requested to attend the meetings of the Cabinet, the National Security Council, the Council on Foreign Economic Policy, and the Operations Coordinating Board.

Sincerely,

DWIGHT D. EISENHOWER

### **Third Colombo Plan Report Released**

Press release 722 dated December 17

The Department of State on December 17 announced the release of the Third Annual Report of the Consultative Committee on Economic Development in South and Southeast Asia.<sup>1</sup> This report, which has been released by various members of the Colombo Plan, was prepared at the sixth meeting of the Consultative Committee held in October at Ottawa, Canada. It covers the 1953-1954 period.

The United States has been a member of the Consultative Committee since 1951. The Committee developed from the Commonwealth Committee, which in 1950 issued the original Colombo Plan report containing the individual 6-year development plans of several member countries in the area. Although commonly referred to as the Colombo Plan, the program is simply an inter-governmental committee. All assistance from the contributing countries, such as Canada, Australia, New Zealand, the United Kingdom, and the United States, is bilaterally given and bilaterally received. The U.S. contribution is the sum total of the assistance it extends to the various countries of the area to promote the economic development of those countries. The Consultative Committee constitutes the annual forum for members of the Colombo Plan.

The principal objective of the Consultative Committee is to exchange views on problems concerning the raising of living standards by accelerating the pace and widening the scope of eco-

<sup>1</sup> Copies of the report may be obtained from the Queen's Printer, Ottawa, Can., for 50 cents plus postage.



economic development in countries of South and Southeast Asia by a cooperative approach to their problems.

Member governments of the Consultative Committee participating in the preparation of the report included Australia, Burma, Cambodia, Canada, Ceylon, India, Indonesia, Laos, Nepal, New Zealand, Pakistan, the United Kingdom and Malaya and British Borneo, the United States, and Viet-Nam. At the Ottawa meeting the Philippines and Thailand, heretofore observers at sessions of the Committee, and Japan became members of the Consultative Committee.

The State Department in releasing the report emphasized that the discussion therein of the national development programs and projects is the responsibility of the governments concerned and does not imply financial or other aid for such programs beyond that which is being given currently under existing bilateral assistance programs.

The report indicates that the third year of the implementation of the individual national programs initially presented as the Colombo Plan saw a 27 percent increase from the previous year in total development expenditures throughout the area of South and Southeast Asia. It is expected, according to the report, that such expenditures in the current, or fourth, year of the Colombo Plan, will increase by 31 percent.

Almost all countries in the area maintained and increased their programs for development, thereby accelerating the momentum generated in the earlier years of the program, although the report notes that basic development, especially in some countries, has been slower than is desirable to achieve the objects of the Plan.

Agriculture, including irrigation and multipurpose projects, and basic services, especially transport and power, continued to occupy a leading place in most national development programs.

Last year's increased food production, in part a result of generally favorable weather conditions, is also a reflection of the strenuous efforts undertaken in the development programs to increase the yield and extend the area of food production. The heavy investment in agriculture undertaken in recent years in countries of the area should insure an increasing volume of food production and a higher measure of economic stability for the whole Colombo Plan region.

The report indicates that power development made steady progress throughout the area during

the past year and that railroads are being rehabilitated and improved and rolling stock expanded. Road building continues to be an urgent problem, with which governments of the region are coping with varying degrees of success.

In the field of social services, the report notes that development has been active and that substantial investments have been made in new houses, educational and medical facilities, and resettlement projects. Enlarged social service programs are expected in the near future to become a significant factor in raising the economic productivity of the region.

The governments in the region who are members of the Colombo Plan expended approximately \$1,540 million toward their respective economic development programs. Assistance by countries such as Australia, Canada, New Zealand, the United Kingdom, and the United States made a significant contribution during the year to the progress of the Colombo Plan, totaling \$280 million in grant assistance and approximately \$62 million in loans authorized or disbursed from international and governmental loan agencies. United States grant assistance, which is made available bilaterally, totaled, in the year ending June 30, 1954, \$163 million. These U. S. programs are being continued in fiscal year 1955 pursuant to recent congressional authorizations and appropriations.

The report concludes that the decision in 1950 to embark on far-reaching and comprehensive programs of economic development was one of immense importance for the future of the area and the world. Much progress has been made since that time. The future still holds many problems. The report says that the financial problems of the Colombo Plan countries, relative to their development needs, are most serious and that, on balance, the gap between estimated costs of firm development programs and foreseeable available financial resources is widening rather than narrowing. The report states: "They [the countries] are aware that the main burden must be borne on their own resources, though external aid can do much to smooth and accelerate the progress toward a higher standard of living. But they have come through the initial difficulties, and not as isolated entities but as members of a great and growing partnership animated by a common purpose and increasingly conscious of each other's problems and aspirations."

## INTERNATIONAL ORGANIZATIONS AND MEETINGS

### Calendar of Meetings<sup>1</sup>

#### Adjourned During December 1954

ICAO Air Navigation Commission: 17th Session . . . . .	Montreal . . . . .	Sept. 21-Dec. 10
U. N. General Assembly: 9th Regular Session . . . . .	New York . . . . .	Sept. 21-Dec. 18
ICAO Air Transport Committee: 23d Session . . . . .	Montreal . . . . .	Sept. 27-Dec. 8
ICAO Council: 23d Session . . . . .	Montreal . . . . .	Sept. 28-Dec. 15
U. N. Ecosoc: Resumed 18th Session . . . . .	New York . . . . .	Nov. 5-Dec. 16
UNESCO General Conference: 8th Session . . . . .	Montevideo . . . . .	Nov. 12-Dec. 10
ICAO Airworthiness Panel Meeting . . . . .	Montreal . . . . .	Nov. 15-Dec. 17
IA-Ecosoc: 4th Extraordinary Meeting (Ministers of Finance or Economy) . . . . .	Quitandinha (Brazil) . . . . .	Nov. 22-Dec. 2
ILO 8th International Conference of Labor Statisticians . . . . .	Geneva . . . . .	Nov. 23-Dec. 3
Caribbean Commission: 19th Meeting . . . . .	Port-of-Spain (Trinidad) . . . . .	Nov. 29-Dec. 4
ICEM Council: 1st Meeting . . . . .	Geneva . . . . .	Nov. 30-Dec. 4
ICEM Executive Committee: 1st Meeting . . . . .	Geneva . . . . .	Dec. 4 (1 day)
U. N. High Commissioner's Advisory Committee on Refugees: 5th Session . . . . .	Geneva . . . . .	Dec. 6-Dec. 10
FAO 4th World Forestry Congress . . . . .	Dehra Dun (India) . . . . .	Dec. 11-Dec. 22
FAO Phytosanitary Conference for Southeast Asia and Pacific Region . . . . .	Singapore . . . . .	Dec. 13-Dec. 17
UNICEF Executive Board and Program Committee . . . . .	New York . . . . .	Dec. 13-Dec. 15
NATO: Ministerial Meeting of the Council . . . . .	Paris . . . . .	Dec. 17-Dec. 19

#### In Session as of December 31, 1954

GATT Contracting Parties: 9th Session . . . . .	Geneva . . . . .	Oct. 28-Nov. 15
International Exposition and Trade Fair . . . . .	São Paulo . . . . .	Nov. 15-
Sixth Mexican Book Fair . . . . .	Mexico City . . . . .	Nov. 20-
U. N. Trusteeship Council: Standing Committee on Petitions . . . . .	New York . . . . .	Dec. 10-
Inter-American Seminar on Secondary Education . . . . .	Santiago . . . . .	Dec. 29-

#### Scheduled January 1-March 31, 1955

U. N. Ecosoc Subcommittee on Prevention of Discrimination and Protection of Minorities . . . . .	New York . . . . .	Jan. 4-
U. N. ECAFE Subcommittee on Trade: 1st Session . . . . .	Hong Kong . . . . .	Jan. 6-
10th Pan American Child Congress . . . . .	Panama City . . . . .	Jan. 10-
Who Standing Committee on Administration and Finance . . . . .	Geneva . . . . .	Jan. 10-
U. N. Advisory Committee Concerning the International Conference on Peaceful Uses of Atomic Energy . . . . .	New York . . . . .	Jan. 17-
U. N. Ecosoc Commission on International Commodity Trade: 1st Session . . . . .	New York . . . . .	Jan. 17-
Who Executive Board: 15th Meeting . . . . .	Geneva . . . . .	Jan. 18-
ILO European Regional Conference . . . . .	Geneva . . . . .	Jan. 24-
U. N. ECAFE Inland Transport Committee: 4th Session . . . . .	Bangkok . . . . .	Jan. 24-
Consultative Committee on Rice: 9th Meeting . . . . .	Singapore . . . . .	Jan. 27-
Wmo Regional Association for Asia: 1st Session . . . . .	New Delhi . . . . .	January
U. N. Trusteeship Council: 15th Session . . . . .	New York . . . . .	January
ILO Chemical Industries Committee: 4th Session . . . . .	Geneva . . . . .	Feb. 7-
U. N. Ecosoc Transport and Communications Commission: 7th Session . . . . .	New York . . . . .	Feb. 7-
U. N. Cartographic Conference for Asia and the Far East . . . . .	Dehra Dun (India) . . . . .	Feb. 15-
GATT Tariff Negotiations with Japan . . . . .	Geneva . . . . .	Feb. 21-
ILO Governing Body: 128th Session . . . . .	Geneva . . . . .	Feb. 21-
Pan American Highway Congress: Permanent Executive Committee . . . . .	Mexico City . . . . .	Feb. 21-
Manila Pact Foreign Ministers Meeting . . . . .	Bangkok . . . . .	Feb. 23
ILO Asian Advisory Committee: 6th Session . . . . .	Geneva . . . . .	Mar. 7-

<sup>1</sup> Prepared in the Office of International Conferences, Dec. 22, 1954. Asterisks indicate tentative dates. Following is a list of abbreviations: ICAO, International Civil Aviation Organization; U. N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; IA-Ecosoc, Inter-American Economic and Social Council; ILO, International Labor Organization; ICEM, Intergovernmental Committee for European Migration; FAO, Food and Agriculture Organization; UNICEF, United Nations Children's Fund; NATO, North Atlantic Treaty Organization; GATT, General Agreement on Tariffs and Trade; Ecosoc, Economic and Social Council; ECAFE, Economic Commission for Asia and the Far East; Who, World Health Organization; Wmo, World Meteorological Organization; Icsu, International Council of Scientific Unions.

## Calendar of Meetings—Continued

### Scheduled January 1–March 31, 1955—Continued

International Council of Scientific Unions (Icsu): Quarterly Meeting of the Bureau.	Washington . . . . .	Mar. 7–
UNICEF Executive Board and Program Committee . . . . .	New York. . . . .	Mar. 7–
U. N. Ecosoc Commission on Status of Women: 9th Session. . . . .	New York. . . . .	Mar. 14–
U. N. Ecosoc Population Commission: 8th Session. . . . .	New York. . . . .	Mar. 14–
U. N. Economic Commission for Europe: 10th Session. . . . .	Geneva. . . . .	Mar. 15–
U. N. ECAFE Committee on Industry and Trade: 7th Session. . . . .	Tokyo. . . . .	Mar. 15–
Inter-American Conference on Social Security: 5th Session. . . . .	Caracas. . . . .	Mar. 16–
U. N. Economic Commission for Asia and the Far East: 11th Session.	Tokyo. . . . .	Mar. 28–
U. N. Economic and Social Council: 19th Session. . . . .	New York. . . . .	Mar. 29–
U. N. Ecosoc Commission on Human Rights: 11th Session. . . . .	Geneva. . . . .	Mar. 31–
ICAO Legal Committee: Negotiability Subcommittee . . . . .	Europe. . . . .	March *
FAO Latin American Forestry Commission: 5th Session. . . . .	Venezuela. . . . .	March *

## Promoting the International Flow of Private Capital

*Statements by Roger W. Straus*

*U.S. Representative to the General Assembly<sup>1</sup>*

### BENEFITS OF FOREIGN INVESTMENT

U.S. delegation press release 2047 dated November 30

In my first statement to this committee,<sup>2</sup> I emphasized our opinion that the fullest possible exercise of individual initiative is the basis of sound economic development. We are convinced that this is so as a result of our own experience. In less than a century, we developed from an agricultural society to a highly industrialized nation. The United States has fortunately been blessed with an abundance of natural resources. But the economic and social benefits which the American people have drawn from them are, in large part, the fruits of individual enterprise, coupled with private investment from Western Europe. The economic history of the United States, together with that of Canada and other countries, certainly refutes the thesis that the inevitable result of foreign investment is to keep the recipient country in a perpetual state of underdevelopment.

One of our objectives in the United Nations is to enable countries in the process of development

to speed up their rate of progress. That is why the General Assembly is giving attention to the problem of encouraging the international flow of private investment.

I am sure that most of us recognize that the problem of stimulating foreign private investment is not an easy or simple one. It cannot be solved only by financial mechanisms. It has deep psychological aspects. Government capital can be directed; private capital cannot. Private capital cannot be driven; it must be induced.

Consequently, the first task is to awaken interest, dispel ignorance, and inspire confidence on the part of the potential investor. The world's capital markets are highly competitive, and, as every businessman knows, even a good product cannot survive in a highly competitive market unless it is actively pushed.

In many places, private investment is already making a substantial attack on the problem of economic development. At the end of 1953, American private investment in foreign countries totaled about \$24 billion. Of this total, something approaching \$10 billion was invested in underdeveloped areas. I might add that the return on our total investment abroad has been averaging about 6 percent per annum.

<sup>1</sup> Made in Committee II (Economic and Financial) on Nov. 30 and Dec. 3.

<sup>2</sup> BULLETIN of Oct. 25, 1954, p. 626.

During the past 6 years, our private investors have been sending abroad about \$900 million a year in new dollar funds, after taking into account repatriation of capital. In addition, about \$600 million a year of earnings were reinvested directly in the countries in which they were earned. This means that total new investment provided by private United States sources has, during this period, reached at least 1 to 1½ billion dollars a year. Of this amount, 60 percent has gone into underdeveloped areas.

During the first half of 1954, our private investors placed almost \$645 million in new capital abroad, that is, without continuing reinvestment of earnings. At an annual rate, this amounts to almost 1 billion 300 million dollars of new investments. This is higher than in any year since World War II.

In this connection, I find that there is occasionally a tendency to regard reinvestment of earnings from existing foreign investment as not really contributing to the economic development of the country concerned in any effective fashion. It seems to me that this is a mistake. Reinvestment of profits and earnings not only reduces demand for foreign exchange but also contributes directly to the expansion of economic activity and the increase in the national income of the country in which it takes place. Furthermore, it directly increases the interest of the investor in the local economy and his concern with its economic progress. If done entirely voluntarily, it is a signal to other potential investors that the capital already invested has confidence in the fair treatment accorded by the host country, as well as in the opportunities for further expansion.

Sometimes the desirability of private investment in economic development is debated solely in terms of the amount of new foreign exchange which it brings to the underdeveloped country, as compared with the amount of foreign exchange which it takes out in the form of earnings. Clearly this is but one aspect of a broad and complicated picture. The benefits of private investment cannot be measured simply by looking at its effect on a country's foreign exchange accounts. To do so is to look at only one part of the problem. To appreciate its true contribution we must analyze its whole impact on the domestic economy in terms of such things as the training of local labor, the development of related local industries, the growth

of new or existing cities and towns, the production of commodities which otherwise would have been imported—in short, all the things that go to make up national prosperity and economic strength.

### Case Histories

To me, statistics about the international flow of capital are always far less impressive than specific case histories of what is actually being done. Examples of the many ways in which American companies are helping to introduce new techniques, develop new crops, train local labor, and encourage the establishment of new local business enterprises could be given by the hundreds. I should like to mention one or two which I have personally observed in my own work.

Approximately 25 years ago, in the heart of the Queensland desert of Australia, a promising deposit of silver lead zinc ore was found. British and Australian capital began to mine the ore. A few years later, it was evident that additional investment would be required fully to develop the possibilities of the area. American investors agreed to join the enterprise. Millions of additional dollars were put into the property. Further development uncovered a copper deposit.

A town of 11,000 people was built up. Health, educational, and recreational facilities were provided. Houses were built, at first by the company, more recently by individuals through a building and loan association.

When I visited the area last May, after a period of 7 years, I found a lovely town, with trees and flowers growing in the irrigated earth. There were shops, moving picture theaters, a large swimming pool, bowling greens, and a football and cricket field. A large slaughter house was providing meat supplies from neighboring ranches; vegetables and fruits were being brought from the coast in refrigerator cars.

The development was providing employment not only in its immediate vicinity but hundreds of miles away. Among its major requirements was a constant supply of coal, coke, and cement. In fact, its need for cement led to the construction of a new plant which was supplying many other customers who previously had depended on cement transported by ship and railroad at almost prohibitive costs. This mine, together with others developed in the same vicinity, will continue for at least another half century to provide



employment and good living conditions for many thousands.

Similarly, in Peru a small operation in the heart of the Andes was started 4 years ago to produce lead and zinc. A model town was the first part of the enterprise actually constructed. Because Peru has given evidence of desiring private investment, there is now under active consideration a new \$200 million copper-mine development, including two towns, a 100-mile railroad, new port works, and many other facilities. The Export-Import Bank has earmarked \$100 million to cover half the capital as a loan, and private enterprise is to provide the balance.

If this enterprise is undertaken—and I think it will be—a large section of the Peruvian economy will benefit. Not only will employment be given to thousands directly involved, but a new home market will be provided for agricultural products of all kinds. Many small industries will undoubtedly be set up to meet the needs of the operation and the people employed. Educational and recreational opportunities will be created. Furthermore, earnings of foreign exchange will be increased, the national income substantially raised, and a large territory opened up for future industrial expansion. In this case a contract between the Peruvian Government and the organization to supply the equity capital was entered into. It outlined the duty and rights of that organization in considerable detail.

In Newfoundland I have seen what is called "moose pasture" turn into a thriving town of 3,500 people as part of the development of zinc lead copper ore lodes financed by British and U.S. capital.

So it goes in all parts of the free world. Where private capital, both domestic and foreign, is encouraged, the nation's economic and political health and stability are strengthened.

We are here concerned with ways and means of encouraging this kind of activity, of dispelling the doubts of potential private investors, of directing their attention to opportunities abroad. I do not propose to discuss in detail the familiar types of deterrents to private investment. In some cases they involve general political instability, which has its roots deep in world conditions and is beyond the control of individual governments. But in many cases they involve internal policies, which may include the threat of expro-

priation, discrimination against foreign companies, stringent controls over the operations of foreign investors, restrictions on the repatriation of earnings or of capital itself, or a general desire to exclude the foreign investors from the local economy.

If foreign investment is to be encouraged, there must be mutual confidence between the investor and the recipient country. The foreign investor must be really wanted and welcome, not only by the local government but by the people as well. They must be willing to permit the investor to earn a reasonable return for the risk involved. The private investor must be convinced that, if he is successful, he will not be deprived of the fruits of his enterprise. One case of discrimination or inequitable treatment can discourage many other potential investors.

The job of building up the confidence of the private investor is not one which can be done primarily by the governments of capital exporting countries. While we stand ready to assist them in every appropriate way, it must be done mainly by those countries which need and desire foreign investment.

I am fully aware that there have been examples where foreign capital has been responsible for causing resentment, but I believe that this is now extremely rare. Certainly any host country has not only the right but the duty to demand compliance with its best interests. The relationship of foreign capital and the country in which it operates must be that of guest and host.

#### **Rights of Recipient Countries**

The recipient country has a right to expect compliance with its laws and respect for local customs and tradition. It has a right to expect a real effort by the investor to employ its citizens and to provide them with opportunities to acquire technical competence in the industry concerned. I believe that the vast majority of American businessmen understand that foreign investment can be successful only when the recipient country prospers. I am sure that there are few investors left with the erroneous idea that they can get in and get out quickly with large profits and without contributing to the well-being of the host country.

The United States Government in recent years has taken various steps to encourage investment abroad by American citizens. Through our De-

partment of Commerce and our Foreign Operations Administration, we give wide circulation to information on foreign investment opportunities. We offer our investors guaranties against certain nonbusiness risks affecting investment in any country which concludes the necessary bilateral agreement with the United States. For many years, the United States has pursued a program of negotiating treaties designed, among other things, to assure conditions favorable to the investment of private foreign capital. We stand ready to explore with any country the possibility of concluding such a treaty, as well as bilateral tax treaties specifically designed to create a more favorable climate for international investment. Finally, as announced a few days ago, the administration intends again to submit to Congress proposals for reducing taxation on income from foreign investment.

I, for one, am quite optimistic that private investment will be available in expanding amounts in the near future. I do not mean to imply, of course, that, if the major impediments to the flow of capital were removed, private investment would instantly flow in tremendously increased volume. Any realistic proposal of future prospects must recognize the initial advantage of the domestic market in the competition for available capital. The American corporate or individual investor has many opportunities to invest his capital in his own country. Here he enjoys a familiar environment in which he has confidence and which does not involve risks inherent in any investment made abroad. Even when he does decide to invest abroad, the American investor is likely to be interested initially in the countries most familiar to him, which may well be those which are closest geographically.

Nevertheless, from my own observations and from discussions with other businessmen, bankers, and economists both here and abroad, I am convinced that during the next 10 years there will be increasing amounts of private capital—from many industrialized countries, including of course the United States—prepared to invest in underdeveloped countries that give evidence of really desiring it.

Mr. Chairman, the draft resolution<sup>3</sup> which has

<sup>3</sup> Resolution 512 B (XVII). The draft as amended was adopted by Committee II on Dec. 1, 45-1-7, and by the plenary on Dec. 11, 48-0-8.

been presented by the Economic and Social Council for our consideration is the result of much deliberation by the Council. It takes into account the points of view of many countries on the problem of international private investment. The resolution is by no means definitive. As drafted, it is but a first sketch of some of the ways in which capital-exporting and capital-importing countries can work to encourage an expanding flow of private capital. But it does point the way in the right direction.

At the 17th session of the Economic and Social Council, the United States delegation vigorously supported this draft resolution. We shall, of course, vote for it in this Assembly. Its adoption by a large majority will be a most valuable step in the direction of creating that better atmosphere and mutual confidence which is the very basis of foreign investment.

#### PROPOSED INTERNATIONAL FINANCE CORPORATION

U.S. delegation press release 2056 dated December 2

I am sure that you are all aware that on November 11, 1954, the executive branch of my Government announced that it was prepared to support the establishment of an International Finance Corporation.<sup>4</sup> Our participation in the new corporation is, of course, dependent upon congressional approval, which the administration is prepared to seek at the appropriate time. The proposal for an International Finance Corporation, examined in various reports of the International Bank, is one of the results of our search in the United Nations for ways to encourage private capital to play an increasing role in economic development round the world.

The establishment of such a corporation has been under discussion for nearly 4 years. During this time my Government has given it a great deal of thought. Although we did question the necessity and desirability of establishing a new international financial institution of this kind, we have always been sympathetic to the desire of many governments for a greater inflow of investment capital to meet their development needs. For that reason, my Government has supported the several resolutions of the Economic and Social Council and the General Assembly which called

<sup>4</sup> BULLETIN of Nov. 29, 1954, p. 813.

for further study and consideration of the proposal for an International Finance Corporation. Now we are prepared to join with other like-minded countries in establishing such a corporation, as an experiment in specific intergovernmental action to encourage and assist private initiative and enterprise in the interest of economic development.

We consider it as an experiment because its effectiveness can only be demonstrated by its results over a period of time and with resources sufficient to provide a fair test. The true measure of the corporation's success will be the additional flow of capital which it generates, directly and indirectly, from private sources.

As we are all aware, the problem of private investment for economic development is not only one of stimulating the international flow of private capital. The movement of domestic private savings in underdeveloped countries into local business enterprises must also be increased. While the volume of savings in underdeveloped areas attainable in the near future may be small in comparison with requirements, much can be done to encourage additional local investment in productive industrial and commercial enterprises. In our view, this can be one of the most important areas of activity by an international finance corporation.

The proposed capitalization of \$100 million should provide adequate resources for this purpose. Of course, if an international finance corporation is to be truly international in character, it must attract a wide degree of support and participation by those countries needing capital, as well as those countries able to export capital.

In joining in this intergovernmental effort to stimulate the international investment of private funds, we hope there will be no misunderstanding of the role of an Ifc. It would not be a substitute for other measures, largely unilateral in nature, which are needed to provide the conditions whereby private enterprise can function and make its full contribution to the developmental process. These measures have been discussed specifically in connection with the resolution just adopted by the committee on the international flow of private capital.

Rather, the International Finance Corporation should be regarded as a catalyst which will stim-

ulate and assist private enterprise to respond to the conditions and opportunities which exist in the countries participating in it. It can help in the common effort of governments to strengthen the confidence of private investors, both domestic and foreign, in the sincerity and resolution with which the problems of economic development are being approached. In short, its success will depend to a very great extent on the attitudes displayed and the steps taken beyond the formality of signing its charter and contributing to its capital. It is, in part, in this framework that participating governments will no doubt wish to review the effectiveness of the new organization from time to time.

There has been one aspect of the Ifc proposal which was particularly troublesome to my Government. As heretofore discussed, an International Finance Corporation would offer two kinds of financial assistance to private enterprise: loans without government guaranties, and equity investments representing an interest in ownership. We feel that it is not appropriate for an intergovernmental organization to participate in the ownership and management of what are essentially private enterprises. Basically, this kind of relationship seems inconsistent with the whole concept of private enterprise, and, accordingly, we propose that the International Finance Corporation not be authorized to provide equity financing. Rather, in addition to loans, it should be empowered to invest in securities bearing an interest only if earned. It should also be empowered to invest in debentures which would be convertible into stock when sold by the corporation to private investors. This would still permit considerable flexibility to the corporation with respect to the nature of its joint financial participation with private enterprise, but in ways which, we feel, are more consistent with its basic objectives. In this connection, it might be noted that, by selling its holdings in going enterprises, the corporation will greatly increase the velocity of its capital.

The United States, in company with other delegations, intends to submit a draft resolution<sup>5</sup> supporting the establishment of an International Fi-

<sup>5</sup> The draft resolution, U.N. doc. A/C.2/L.249 dated Dec. 4, was sponsored jointly by Brazil, Canada, France, Greece, Mexico, Pakistan, Peru, Turkey, and the U.S. Committee II approved it on Dec. 6 by a vote of 44-0; the Soviet bloc abstained. The vote in the Dec. 11 plenary was 50-0-5.

nance Corporation in principle and requesting the International Bank to proceed with the preparations and consultations necessary to its establishment at an early date. The International Bank is well equipped to undertake this task in view of its experience with the problems of economic development, its extensive contact with private capital markets, and, of course, the very great amount

of study and consideration which it has already given the proposal for an international finance corporation since first requested to do so by the Economic and Social Council. Overwhelming endorsement of this resolution will make it possible to begin work looking toward the addition of yet another major financial institution dedicated to more abundant lives for people everywhere.

## U.N. Extends Mandate of Relief Agency for Palestine Refugees

*Statements by James J. Wadsworth*

*U. S. Representative to the General Assembly*<sup>1</sup>

### U.S. POSITION

U.S. delegation press release 2031 dated November 19

I have listened with great interest to the clear and forthright statement of Mr. LaBouisse, the new Director of the United Nations Relief and Works Agency. My delegation has also examined Mr. LaBouisse's report as Director and the special joint report of the Director and the Advisory Commission.<sup>2</sup> They provide a sound basis for our work here.

I am sure all will agree that this present item is but one aspect of the Palestine question. There are many other aspects of this question, and surely no one here will minimize their reality, their difficulty, or their place in the eventual solution of the Palestine problem as a whole. But the particular part of this problem now before us is itself immense and difficult. It is nothing less than the practical task of supporting Arab refugees and, beyond that, of establishing a better and more secure future for them in the Near Eastern region. I think it is imperative that the Assembly now take practical measures to advance this program.

We need not review the history of the General

Assembly's effort to settle the refugee question. It has been slow, often frustrating, but patient and persistent. Over the years the long-range, essential objective of UNRWA has come to be that of *rehabilitation*, that is, finding means of enabling refugees to become effective and self-supporting members of society.

I think we may, at the outset, say that the essential issue now is simply whether or not this shall continue to be the function and objective of UNRWA. The United States believes it should be. We are prepared to support the continued life and mandate of UNRWA for another 5 years. We do so in order that the refugee question may be resolved and in order that the refugees may once again find a secure and productive place in the society and economy of the Near East.

Efforts must now center on finding new homes and work, for refugees choosing these opportunities, in the Arab countries which have declared their willingness to find homes for their brother Arab who seeks resettlement as contemplated in the 1948 resolution of the Assembly. It is obvious that programs which could achieve what we desire for the refugees, and for the eventual economic benefit of the countries in the area, will undoubtedly take some years to complete.

The extension of UNRWA's life, as far as my delegation is concerned, is based on the fact that recla-

<sup>1</sup>Made in the *Ad Hoc* Political Committee on Nov. 19, 24, and 26.

<sup>2</sup>U. N. docs. A/2717 and Add. 1.



mation projects take time to execute; but the period of extension, insofar as my delegation is concerned, is valid only if the Sinai project, the Jordan-Yarmuk project, and other projects are begun very soon. If prompt action is not forthcoming, the attitude of my Government must inevitably undergo thorough reexamination, as its willingness to continue its support to UNRWA will in all probability be based on tangible evidence of progress on the programs of public works within a reasonable time.

Thus the extension of the UNRWA program can achieve its purpose only if the host governments cooperate to the utmost with the Director of the Agency solving the issues remaining before it in Sinai and the Jordan Valley and in finding new projects. I am sure that all of the host governments will recognize that such rehabilitation projects are in the best interests of their own people as well as of thousands of the refugees.

In this connection my Government is greatly encouraged in the belief that many responsible Arab leaders today do appreciate the benefits which they will derive from rehabilitation projects. We are frankly hopeful that through the efforts of Ambassador Eric Johnston, President Eisenhower's Personal Representative in the Near East, an agreement may soon be reached for the development and full utilization of the waters of the Jordan River Basin, which is of concern to the interests of Jordan, Lebanon, Syria, and Israel. With understanding and cooperation this project and others can be realized well within the proposed extended lifetime of UNRWA. By its very substantial financial contributions, and by such efforts as those of Ambassador Johnston, the United States has pressed and will continue to work for the resolution of the refugee question through UNRWA.

Obviously the extension of UNRWA's mandate in no way prejudices rights of the refugees to repatriation or compensation. The settlement of these rights should be a matter of continued concern to all members of the United Nations and should be the subject of early action. We would welcome prompt indications from the Government of Israel that it is taking concrete steps to settle these matters. We appreciate that Israel has indicated its willingness to discuss the settlement of the compensation question. But, despite the difficulties which we know confront the Israeli Government,

we would now welcome more specific proposals from them.

As to my delegation's position, I should call attention to the following United States reservation to the special report of the Advisory Commission:

The United States is obviously desirous of an expeditious and equitable settlement of all aspects of the refugee problem. However, it believes that, so long as the rights of the refugees are fully protected, the failure to resolve the problems of repatriation or compensation must not be an obstacle to the Agency's efforts to rehabilitate refugees as promptly as possible.

I turn now to the question of how the relief and rehabilitation programs are to be supported financially. We believe that the committee should approve the budget recommended by the Director and the Advisory Commission for the current year, and we are prepared to discuss our share of it at the appropriate time. We had hoped that more employment opportunities might have made it possible to reduce the relief budget. Meantime we depend on the Director to be constantly on the lookout for every possible economy. We are impressed with the necessity of reducing the relief rolls as rapidly as feasible. In signing the special joint report, the United States made the following as its second of two reservations:

The United States believes that any redefinition of a refugee eligible for relief should be contingent on the establishment of an effective system for determining the *bona fides* of relief recipients and the deletion from the registration rolls of the persons not entitled to relief. The United States believes that the purpose of the Agency's function in the relief field would be defeated if these steps were not taken and every effort made not to exceed the present number of relief recipients.

Mr. Chairman, it is essential that we see to it that the contributions are used to achieve the purposes of the program, that is, used for the persons—particularly children—entitled to it. This is in the obvious interest of the refugees themselves.

So much for the immediate problems of the 1955 budget. We stand ready to consider the requirements of future years as and when they are presented by UNRWA.

Mr. Chairman, the program for the Palestine refugees is one of the largest of the United Nations programs. Up to now it has met a need on a year-to-year basis, and I think our legislatures and our peoples want to see progress. The contribution of some members is financial. Others

can and must—if UNRWA is to succeed—contribute also their constant, sincere, and imaginative cooperation in giving the program effect in the area itself. In pressing forward with this program, our governments count on receiving the kind of cooperation in the Near East which makes the program a realistic means of dealing with the problem. I am confident that on this basis our program will go forward successfully.

## DISCUSSION OF RESOLUTION

U.S. delegation press release 2040 dated November 24

The United States has joined with the United Kingdom, France, and Turkey in cosponsoring the draft resolution which has now been put before the committee.<sup>3</sup> It is our earnest hope that it will receive the support of this committee. Its primary objective is to renew the mandate of the United Nations Relief and Works Agency for a period of 5 years.

I should like to make a brief comment with respect to the preambular paragraphs of the resolution. We believe the resolutions which are recalled in the preamble provide adequate terms of reference now, and in the future, for the Director and the Agency. The resolution before the committee also takes note of the report of the Director and the special report of the Director and the Advisory Commission. These reports comprise important guide lines to the Agency in that they underscore the problems which now and in the future will confront it. A third element in the preamble notes that repatriation or compensation has not been effected and that the situation of the refugees is still a matter of very genuine concern.

In connection with the right of repatriation, which the resolution reaffirms clearly and which has received a good deal of attention in the speeches of a number of delegations, we wish to urge upon our Arab colleagues and upon the rest of the committee our conviction that the eventual resolution of the refugee problem rests not in looking back but in looking forward to a new and stronger economy for the Arab States, coming to regard many of their Arab refugee brothers not as temporary residents but as fellow citizens and

cosharers of the Near East's future. Again we repeat our belief that Israel ought to satisfy one or the other of the two rights. We also believe that it is essential that the refugees understand that the true destiny of most of them lies in the Arab world. As the Secretary of State stated in his speech of June 1, 1953:

Some of these refugees could be settled in the area presently controlled by Israel. Most, however, could more readily be integrated into the lives of the neighboring Arab countries. This, however, awaits on irrigation projects, which will permit more soil to be cultivated.

In the best interest of the host countries and the refugees, the General Assembly should request the governments of the area to continue to cooperate with the Director of UNRWA in seeking and carrying out projects which are capable of supporting substantial numbers of refugees. This is sound economic sense, both for the Arab governments concerned and for the refugees. It is also sound economic sense for the contributors. The committee will recall my statement of the other day with respect to the importance we attach to the early start of such projects as those in Sinai and the Jordan Valley. As we believe that the Director is now empowered to conduct any program desired by the host countries for which he can obtain financial support, we have considered it unnecessary to modify UNRWA's terms of reference to permit UNRWA to engage in general development programs, which was a subject in the joint report of the Director and Advisory Commission.

We are willing and prepared to see the rehabilitation fund of \$200 million maintained, subject of course to the reduction of expenditures already made. We are prepared also to approve the relief budget of \$25.1 million and the rehabilitation budget of \$36.2 million for the fiscal year ending June 30, 1955. In connection with the rehabilitation budget, we are gratified to note the progress made in UNRWA's educational program.

We share the earnest concern of the Director, the Advisory Commission, and the Government of Jordan for the plight of the border villagers. However, the immediate solution of that problem is not within the terms of reference of UNRWA. The resolution before us proposes that the Director be requested to make a study and report on the problem of the assistance which should be given to other claimants for relief, particularly children and border villagers. We believe such a study can be useful. We believe it is important, how-

<sup>3</sup> U.N. doc. A/AC.76/L.15.

## Resolution on Palestine Refugees<sup>1</sup>

U.N. doc. A/2826 dated December 2

*The General Assembly,*

*Recalling* its resolutions 194 (III) of 11 December 1948, 302 (IV) of 8 December 1949, 393 (V) of 2 December 1950, 513 (VI) of 26 January 1952, 614 (VII) of 6 November 1952 and 720 (VIII) of 27 November 1953,

*Noting* the annual report of the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, and the special report of the Director and the Advisory Commission of UNRWA,

*Noting* that repatriation or compensation of the refugees, as provided for in paragraph 11 of resolution 194 (III), has not been effected and that the situation of the refugees continues to be a matter of grave concern,

1. *Decides*, without prejudice to the rights of the refugees to repatriation or compensation, to extend the mandate of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for five years ending 30 June 1960;

2. *Requests* the Agency to continue its consultation with the United Nations Conciliation Commission for Palestine in the best interest of their respective tasks with particular reference to paragraph 11 of resolution 194 (III);

3. *Requests* the Governments of the area to continue to co-operate with the Director of the Agency in seeking and carrying out projects capable of supporting substantial numbers of refugees;

4. *Decides* to maintain the rehabilitation fund of \$200 million subject to reductions for expenditures already made;

5. *Approves* a relief budget of \$25,100,000 and a rehabilitation budget of \$36,200,000 for the fiscal year ending 30 June 1955;

6. *Requests* the Director, in consultation with the Advisory Commission, to study and report upon the problem of assistance which should be given to other claimants for relief, particularly children and needy inhabitants of villages along the demarcation lines;

7. *Authorizes* the Director to prepare, in consultation with the Advisory Commission, the budgets for relief and rehabilitation in advance of each fiscal year, which budgets he shall transmit to the Negotiating Committee for Extra-Budgetary Funds, without prejudice to review each year by the General Assembly;

8. *Requests* the Negotiating Committee for Extra-Budgetary Funds, after receipt of such budgets from the Director of UNRWA to seek such funds as may be required by the Agency;

9. *Appeals* to the Governments of Member and non-member States to make voluntary contributions to the extent necessary to carry through to fulfilment the Agency's programmes, and thanks the numerous religious, charitable and humanitarian organizations for their valuable and continuing work in assisting the refugees;

10. *Requests* the Director to continue to submit the reports referred to in paragraph 21 of resolution 302 (IV), as well as the annual budgets.

<sup>1</sup> Approved in the *Ad Hoc* Political Committee on Nov. 30 by a vote of 41-0-8 (Soviet bloc, Israel, Iraq, and Burma) and in the plenary session on Dec. 4 by a vote of 48-0-7 (Soviet bloc, Israel, and Iraq).

ever, that we all understand that the requirement of such a report does not place an obligation upon this body and especially upon the present contributors, to enlarge the present scope of assistance. We hope that the Director and the Advisory Commission will have clearly in mind the position of the United States set forth in its second reservation in signing the special joint report. We stated it the other day, and we believe it desirable to repeat it now:

The United States believes that any redefinition of a refugee eligible for relief should be contingent on the establishment of an effective system for determining the *bona fides* of relief recipients and the deletion from the registration rolls of the persons not entitled to relief. The United States believes that the purpose of the Agency's function in the relief field would be defeated if these steps were not taken and every effort made not to exceed the present number of relief recipients.

The resolution suggests in operative paragraphs 7 and 8 what we believe is a more satisfactory method of arranging for the preparation of and action upon the budgets of UNRWA. In the past it has been the practice of the General Assembly to authorize a provisional figure each year as the budget for the forthcoming fiscal year. Unfortunately this provisional figure often had to be exceeded in order to carry out the program of the Agency. The tentative and provisional nature of the figures made budgetary planning difficult. The resolution proposes that the General Assembly authorize the Director as its agent to prepare, in consultation with the Advisory Commission, the budgets in advance of each fiscal year. The budgets should serve as the firm basis for the Negotiating Committee for Extra-Budgetary Funds to seek financial support from those nations which

desire the future well-being of the Near East. This new procedure clearly does not prejudice review of the budgets each year by the General Assembly, if the General Assembly so desires.

It is of the utmost importance that the appeal of the General Assembly be renewed to the governments of member and nonmember states to make voluntary contributions to the extent necessary to fulfill the Agency's programs, present and future. If the Agency is to succeed, and if the refugee problem is ever to be settled, this appeal cannot be ignored.

In conclusion, we wish to take this opportunity to commend the spirit of accord which has made this draft resolution possible. It is such a spirit which will lead to a solution of this unhappy problem. It deserves the encouragement and support of this body.

### NO CHANGE IN POLICY

U.S. delegation press release 2042 dated November 26

Mr. Chairman, I would like to ask the permission of yourself and the committee to make a very brief statement before we proceed with the list of speakers.

Since my speech of last Wednesday, three other speakers have expressed doubt and concern over what apparently seemed to them a change in the policy of my Government. I have asked for the floor in order to reply to these expressions and in order to avoid any further misunderstanding.

Paragraph 11 of Resolution 194 (III), which is referred to both in the preamble and operative paragraph 2 of the four-power draft resolution now before us, reads as follows:

11. *Resolves* that the refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law or in equity, should be made good by the Governments or authorities responsible.

Now, Mr. Chairman, it will be noted that this calls for repatriation or compensation to the Arabs choosing not to return.

My statement, which has apparently been misunderstood, was that Israel ought to satisfy one or the other of the two rights. I did not say that Israel should choose one or the other of the two

courses of action. No one should read into that statement any question of the abandonment of repatriation in favor of compensation, and no one should read into that statement that Israel instead of the refugee has the choice of these rights.

It is therefore apparent that the position of my Government has not changed.

### Assembly Adopts Resolution on Morocco by Overwhelming Vote

*Statements by Henry Cabot Lodge, Jr.  
U.S. Representative to the General Assembly*<sup>1</sup>

#### U.S. POSITION

U.S. delegation press release 2081 dated December 13

We believe that the peaceful and progressive development of free and vital political institutions capable of fulfilling the aspirations of the people of Morocco would benefit both France and Morocco and would best promote the principles of the United Nations. The United States, with its traditional sympathy for the aspirations of peoples for self-government, fully supports this view. We must at the same time consider carefully what we in this Assembly can do to facilitate progress toward this goal and not inadvertently do things which tend to defeat their own purpose.

The United States maintains the view which it has expressed in past sessions of this body that this goal is best attained through sincere and co-operative efforts on the part of the peoples and Governments of France and Morocco. It is they who must work together and work out their relationship in larger freedom.

That is why the United States does not intend to give its support to a resolution at this time.

Although there is some language in the resolution now before the committee which we believe would hinder progress in negotiations between France and Morocco, we are frank to say that there clearly are sentiments in the resolution of which we approve. And we do not hesitate to answer in the affirmative the question which was addressed to us last Saturday as to whether the

<sup>1</sup> Made in Committee I (Political and Security) on Dec. 13 and in the plenary session on Dec. 17.



United States still adheres to President Eisenhower's declaration of last June 29<sup>2</sup> in support of the principles of self-government. We do so adhere.

But we feel that as a practical matter the passage of resolutions would be inadvisable at this time, given our belief that the present Government of France is sincerely striving to settle this problem in accordance with the purposes and principles of the United Nations Charter.

Now, Mr. Chairman, the time of course may come when passing resolutions here will do some good. We do not feel that this is the time. We are in an era of practical action rather than exhortation, at least so it seems to us.

Therefore, we think that the best way to encourage progress toward this goal is to welcome every indication of good will and cooperative effort on the part of the parties concerned. By thus demonstrating our faith in their common purpose, we may hope to encourage them to greater progress.

We are also convinced that progress toward self-government for Morocco can best be achieved by direct negotiations between France and Morocco, and by agreements responsive to the aspirations of the Moroccan people. This is the method recommended by the General Assembly in its resolution on Morocco of December 19, 1952.<sup>3</sup> We believe that no other method is so likely to achieve constructive and early results.

This method is being applied with great promise of success in the case of Tunisia. Negotiations between the representatives of the French and Tunisian Governments are now in progress, taking place in an atmosphere of conciliation and confidence. The United Nations can take satisfaction in the fact that the methods of settlement suggested by the Assembly in 1952 with respect to this question are being applied. We have recently witnessed the highly successful joint initiative of the French and Tunisian Governments in inducing rebel elements to lay down their arms and to return peacefully to their homes. This partnership is striking evidence of the ability of the French and Tunisians to act together in the solution of their common problems.

<sup>2</sup> BULLETIN of July 12, 1954, p. 49.

<sup>3</sup> *Ibid.*, Jan. 5, 1953, p. 36.

If progress is slower in Morocco, it is because the situation there is considerably more complex, so that conditions for successful negotiation have been more difficult to establish. We therefore deplore any measures such as acts of terrorism and violence which make negotiations difficult and which can only interfere with the orderly political development and the social and economic progress of the Moroccan people.

But despite the slower rate of progress evident in Morocco, the United States believes that the example furnished by recent developments with regard to Tunisia will commend itself, both to France and Morocco, as the approach most conducive to a harmonious settlement of the Moroccan problem. This approach, calling as it does for cooperative effort and good will on the part of the parties directly concerned, is also in the best interests of the United Nations and of fulfillment of charter principles. It is the approach most likely to promote the orderly progress of peoples who have not yet achieved a full measure of self-government.

#### EXPLANATION OF VOTE IN COMMITTEE

U.S. delegation press release 2085 dated December 13

The United States delegation had hoped to vote for the draft resolution which has just been adopted,<sup>4</sup> but we did not feel that we could do so after the committee defeated the Dominican Republic amendment, which expressed confidence in the intentions of the Government of France to work out the problem. We do have confidence in the Government of France, and in M. Mendès-France in particular. We think that he will be able to work this out and should be given every opportunity to do so, and that is the reason why we did not vote for this resolution, which otherwise we should have liked to have supported.

<sup>4</sup> On Dec. 13 Committee I, by a vote of 39-15 (U.S.)-4, adopted a revised draft resolution (U.N. doc. A/C.1/L.123) cosponsored by Afghanistan, Burma, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, Saudi Arabia, Syria, and Yemen. With this draft the committee recommended that the Assembly, "noting that some delegations declared that negotiations between France and Morocco will be initiated regarding this question," decide "to postpone for the time being further consideration of the item."

## PLENARY STATEMENT

U.S. delegation press release 2098 dated December 17

The United States delegation commends the various delegates whose conciliatory attitude made possible this overwhelming support for the resolution on the Moroccan question.

The United States is glad to have been able to join the Arab delegations in this vote of confidence that a satisfactory solution will be found.

May I say this is also the attitude of the United States on the Tunisian resolution which follows.

## TEXT OF RESOLUTION<sup>1</sup>

U.N. doc. A/Res. 290

*The General Assembly,*

*Having examined the Moroccan question,*

*Noting that some delegations declared that negotiations between France and Morocco will be initiated regarding this question,*

*Expressing confidence that a satisfactory solution will be achieved,*

*Decides to postpone for the time being further consideration of the item.*

## U.N. Expresses Confidence in French-Tunisian Negotiations

*Statements by James J. Wadsworth  
U.S. Representative to the General Assembly<sup>1</sup>*

### PROGRESS ON TUNISIA QUESTION

I wish to say only a few words on this question because in the view of my Government the present outlook for substantial progress in self-government for Tunisia makes extended discussion in this Assembly neither desirable nor necessary.

We believe that current negotiations between France and representatives of the Tunisian Government are in accordance with the sense of the Assembly resolution of December 17, 1952,<sup>2</sup> which recommended bilateral negotiations on this problem. And with these long-awaited and important

negotiations actually in progress now and with the conciliatory atmosphere which surrounds them, we can take satisfaction in the fact that the methods of settlement suggested by the Assembly are being applied.

Now, Mr. Chairman, both the distinguished representative of Syria [Ahmed Shukairy] and the distinguished representative of Egypt [Omar Loutfi] have reminded us of the historic and welcome statement made on July 31 by the Prime Minister of France, and I will not take the time of the committee to requote what he said that day. I would wish to remind the members of the committee, however, that M. Mendès-France confirmed this policy to the members of this Assembly last November 22, expressing his faith in the future of a liberal policy of mutual understanding and political, economic, and social progress.

As Ambassador Lodge pointed out in this committee on December 13,<sup>3</sup>

We have recently witnessed the highly successful joint initiative of the French and Tunisian Governments in inducing rebel elements to lay down their arms and to return peacefully to their homes. The partnership is striking evidence of the ability of the French and Tunisians to act together in the solution of their common problems.

Now, Mr. Chairman, my delegation fully appreciates the moderate and conciliatory attitude shown by the sponsors of the draft resolution before us.<sup>4</sup> However, because of my Government's strong belief that it would not be advisable to pass any resolution at this time, I would appeal to the sponsors not to press this proposal to a vote. This draft which is before us and the statements which the sponsors have made and are making to this committee can stand in the official record as an expression of their views, and I feel sure that our rapporteur could make an appropriate note of it in his report.

### APPROVAL OF REVISED DRAFT

Although my delegation, as I made clear this morning, believed that no resolution at this time was desirable in view of the auspicious atmos-

<sup>1</sup> Approved in plenary session on Dec. 17 by a vote of 55-0-4.

<sup>2</sup> Made in Committee I (Political and Security) on Dec. 16 (U.S. delegation press releases 2093 and 2094).

<sup>3</sup> BULLETIN of Dec. 29, 1952, p. 1045.

<sup>4</sup> See p. 29.

<sup>5</sup> U.N. doc. A/C.1/L.128. The cosponsors were Afghanistan, Burma, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, Philippines, Saudi Arabia, Syria, Thailand, and Yemen.

phere in which the negotiations were being conducted, I am glad to have been able to vote for the revised resolution.

In our view, by expressing confidence we are, in fact, saying to both parties—we trust you to carry this forward to a successful conclusion; and by expressing confidence that the negotiations will bring about a satisfactory solution, we are expressing our collective support of the cooperative effort being made by both the French and the Tunisian Governments.

As such, I trust that a resolution of this type will help to maintain the favorable atmosphere which holds so much promise for both sides.

#### TEXT OF RESOLUTION<sup>a</sup>

U.N. doc. A/C.1/765

*The General Assembly,*

*Having considered the Tunisian Question;*

*Noting with satisfaction that the parties concerned have entered into negotiations and that these negotiations are still in progress;*

*Expressing the confidence that the said negotiations will bring about a satisfactory solution;*

*Decides to postpone for the time being the further consideration of this item.*

#### U.N. Cuts Off Discussion of Cyprus Question

*When committee I (Political and Security) began consideration of the Cyprus question on December 14, it had before it a draft resolution submitted by Greece (A/C.1/L.124) whereby, inter alia, the General Assembly would express the wish that the principle of self-determination be applied in the case of the population of the Island of Cyprus. On a point of order, Leslie Knox Munro, the representative of New Zealand, introduced a draft resolution (A/C.1/L.125) whereby the Assembly would decide not to consider the item further. He requested, and the*

<sup>a</sup> Adopted by Committee I on Dec. 16 by a vote of 54-0-3 and in plenary session on Dec. 17, 56-0-3. The original draft differed from the final draft in two respects: it contained another preambular paragraph "Appealing to the parties to deal with the problem in a spirit of mutual understanding"; and the last paragraph of the preamble read, "Expressing the hope that the said negotiations will bring about a satisfactory solution in conformity with the principles of the Charter."

*committee agreed (28-15-16), that the New Zealand proposal would have priority in the discussion and in the vote. Following are two statements made by Henry Cabot Lodge, Jr., U. S. representative to the General Assembly, in Committee I on December 14 (U.S. delegation press release 2084).*

#### STATEMENTS BY MR. LODGE

I have noted what the representative of New Zealand has said about not wishing to gag anyone. I have not only noted it but I agree with it. It is my belief that giving his motion priority would in no way prevent the representative of Greece [Alexis Kyron] from making his statement. Certainly I would defend his right to make his statement and contend that it is not affected by our adoption of this New Zealand resolution and by our giving it priority.

It seems to me, though, that the nature of the motion made by the representative of New Zealand, which has been circulated, is such that it should logically be given priority in the discussion and in the voting.

The United States supports, for that reason, the proposal of the New Zealand representative to give priority to his motion, and I reserve the right, Mr. Chairman, to make a brief statement on the merits of the New Zealand proposal itself at the proper time.

With all due respect to the distinguished gentlemen here who hold an opposite view, I would like to say that I do not agree with the contention that a two-thirds majority is needed on the proposal of the representative of New Zealand.

It seems to me that rule 124 applies to the adoption or rejection of proposals. The General Assembly has not adopted any proposals on this question. All that it has done is to decide to place this item on the agenda.

Let me say, too, that the adoption of the proposal of the representative of New Zealand does not involve in my opinion a reconsideration of the Assembly's decision to place this item on the agenda. Therefore, I think that a simple majority is required for its adoption.

I would call attention to the fact that the resolution of the representative of New Zealand does not say that we shall not "discuss" the question. It

says that we shall not "consider" it, and in my view there is a very real difference between the word "consider" and the word "discuss." The word "consider" involves passing a judgment, and the word "discuss" does not. Therefore, it seems to me that a fundamentally different attitude of mind must be held toward the proposition not to "consider" from that which one would have with regard to a proposition not to "discuss."

Now, let me say, Mr. Chairman, that the fact that the question of Cyprus has been raised in the United Nations at this time is a matter of very deep concern to the United States. It affects the interests and sentiments of nations and peoples with whom we feel the closest bonds of sympathy. Moreover, the welfare of much of the free world depends upon the maintenance of their historic friendship and mutual trust among each other.

The United States is convinced that the paramount task before this body is to dispose of this item so as not to impair that friendship and trust, because that continuing relationship and solidarity are vitally important to the peace and stability of the area of which Cyprus is a part.

After very searching and deliberate thought and lengthy consultations with those directly concerned, we in the United States Government have reached the conclusion that the course of wisdom is that proposed by the representative of New Zealand.

Recognizing the deep emotions which have already been stirred by this issue, we believe that a prolonged consideration in this forum would only increase tensions and embitter national feelings at a time when the larger interests of all concerned are best served by strengthening existing solidarity among freedom-loving nations.

The United States therefore will vote in favor of the motion proposed by the representative of New Zealand.

#### **RESOLUTION ON CYPRUS<sup>1</sup>**

U.N. doc. A/C.1/764

*The General Assembly,*

*Considering that, for the time being, it does not appear appropriate to adopt a resolution on the question of Cyprus,*

<sup>1</sup> Sponsored by New Zealand; adopted, as amended, by Committee I on Dec. 15, by a vote of 49-0-11, and in the plenary session on Dec. 17, 50-0-8.

*Decides not to consider further the item entitled "Application, under the auspices of the United Nations, of the principle of equal rights and self-determination of peoples in the case of the population of the Island of Cyprus."*

## **The Problem of Apartheid in South Africa**

*Statements by James J. Wadsworth  
U.S. Representative to the General Assembly<sup>1</sup>*

### **U.S. OPPOSES 20-POWER RESOLUTION**

U.S. delegation press release 2062 dated December 6

The question of race conflict in the Union of South Africa has been before the General Assembly for 2 years. It involves the subject of race relations within a member state and is a matter which my Government views with deep concern. Our primary desire is to promote, within the framework of the charter, the objectives of the United Nations in the field of human rights.

The charter marked a historic step forward when it included among the purposes of the United Nations the achievement of international cooperation in promoting and encouraging respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion. This represented an important innovation in international life. The very newness and importance of the concept makes it essential that the United Nations proceed with the greatest care in order to avoid blighting the prospects for constructive growth in this field.

It is axiomatic that problems which arise in the delicate area of relationship between individuals cannot be solved overnight. Their solution requires constructive action exercised with a high degree of responsibility. They require patient efforts of all of us, within the broad guidelines laid down in the charter and within the framework of any broad declarations of principle which this Assembly has already made or may make.

A key point which the United States has sought to stress during consideration of this item at previ-

<sup>1</sup> Made in the *Ad Hoc* Political Committee on Dec. 6 and 8.



ous sessions is the importance of determining how the United Nations can best play the part laid down for it in the charter with respect to the advancement of human rights. This brings us at once to the question of the competence of the organization in this field.

We have no doubt that the drafters of the charter believed that the United Nations had a positive role in the field of human rights. How otherwise can we explain the presence of those provisions of the charter such as articles 55 and 56? Article 55 specifies that the United Nations shall promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion." Article 56 provides that all members "pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in Article 55."

While the United States Government is not in accord with some of the extreme views regarding the application of article 2 (7) <sup>2</sup> to this case, we believe it is essential that the Assembly should at all times bear in mind the domestic jurisdiction provisions of the charter. Ambassador Lodge reiterated this year in the General Committee our view that items of this character invite questions concerning the competence of the Assembly under article 2 (7) of the charter.<sup>3</sup> He also emphasized our concern over a tendency in the Assembly to include in the agenda items whose international character is subject to question and which could affect the authority and sound development of the United Nations.

The importance of reaching a sound basis for our work with respect to the advancement of human rights so that its effects will be constructive cannot be overemphasized. Let me recall the words of the United States representative in this committee [Mrs. Frances P. Bolton] who spoke on this problem last year. She said:

When the United Nations considers critical human rights problems within a particular country, that consid-

<sup>2</sup>Article 2 (7) of the U.N. Charter reads as follows: "Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under Chapter VII."

<sup>3</sup>U.S./U.N. press release 1959, dated Sept. 22, 1954.

eration should be related to developments throughout the world in the field of human rights and should be directed toward the evolution of international standards having general application. At the end of such a consideration, the United Nations can usefully go on record by stating its general conclusions as to the objectives which each Member should pursue in the human rights field. This expression of opinion by the organized community of nations should serve as a helpful guide to all Members.

My delegation believes that the way the Assembly should deal with the present item is to reaffirm its belief in the basic wisdom and the universal validity of the human-rights provisions of the charter as a standard to which all members should aspire.

This is the basis for our view that the Assembly should not consider this problem in terms of conditions in the Union of South Africa alone but in relationship to developments throughout the world. This was why we did not support the establishment of the United Nations Commission on the Racial Situation in the Union of South Africa. We seriously doubted its usefulness. We were convinced that this was not the way to encourage and nurture a constructive solution to the problem before us. The experience of the past 2 years and the two reports of the Commission <sup>4</sup> have justified no change in that initial opinion.

This year the Commission has included in its report further information collected by it concerning the situation in South Africa. It has also reviewed various solutions proposed in South Africa for the settlement of racial problems. Moreover, it has sought information on what it hoped might be relevant experience in other countries.

In so doing, it has fallen into the regrettable error of seeking to judge one country by the situation in another. Unfortunately, its summaries of the situation elsewhere suggest in some instances perfection, where in fact the situation is far from satisfactory. For example, the Commission states flatly that—

in the Union of Soviet Socialist Republics, racial problems have been resolved as a result of continuous and effective action by the government and authorities. Racial discrimination has been abolished and any attempt to practice it constitutes an offense.

The Commission then cited appropriate provisions of the Soviet Constitution to demonstrate

<sup>4</sup>U.N. docs. A/2505 and Add. 1, and A/2719.

that the principle of nondiscrimination was an important part of the Soviet system.

If we should look beyond documentary evidence and study governmental practices we might well come to a quite different conclusion. It is idle to pretend that in any country, and particularly in the Soviet Union, racial bigotry has been or can be effaced by a mere declaration. In fact, racial discrimination continues to exist in the Soviet Union, and this is admitted in the Soviet press.

Many practices followed by the Soviet Union are inconsistent with respect for national and religious traditions of minority peoples. Among these are the forcible destruction of ancient religious rites and practices, notably of Islam; the rewriting of the history of minority peoples so as to eliminate all criticism of things Russian; and even the elimination of praise of national heroes who fought against the Tsarist regime.

Moreover, the value of Moscow pledges of local autonomy to national minorities was demonstrated during and since World War II. In this period, the U. S. S. R. has deported or killed more than 1,600,000 persons, comprising the total population of nine non-Russian ethnic minorities, and has arbitrarily dissolved or reorganized six of its "autonomous" administrative units. Moscow's failure to list these peoples any more as separate nationalities suggests that they are now being forcibly assimilated at their places of residence.

The purpose of mentioning these facts is not to provoke a debate either on the accuracy of the Commission's report or on the subject of racial equality. Rather, it is to suggest that the insertion of propaganda and half-truths into a serious study of this very intricate problem cannot be helpful and should be avoided.

We realize full well, as others do, that translating ideals into realities in the field of human relations is both difficult and often painfully slow. My own country is a case in point. It is made up of a number of different racial groups—a melting pot in every sense of the word. While happily becoming more and more rare, there are still occasions on which all peoples do not receive equal treatment. We recognize that none of us enjoys perfection in this field. But we have been moving steadily forward toward the translation into reality of the proposition that "all men are created equal."

For example, until last year, although there was considerable opinion that the condition was wrong, legal segregation in the education of white and negro students in many of our southern States still existed. When the Supreme Court of the United States recently rendered its historic decision, it emphasized the importance of education if a child is to be expected to succeed in life. The Court went on to say that to separate children from others of the same age and qualifications "solely because of their race, generates a feeling of inferiority as to their standards in the community that may affect their hearts and minds in a way unlikely ever to be undone." At the same time the Court appreciated that the implementation of this decision would require time. In this one case there is ample illustration of the point that this committee must constantly bear in mind—that changes in this field cannot come at one stroke. It also demonstrates another essential point, that the full assistance of those directly affected will be crucial in the further implementation of the Court's decision.

This year the Commission on the Racial Situation in the Union of South Africa has ventured to discuss the possibilities of a peaceful settlement of the racial problems in South Africa. One point stands out in this section of the report. The Commission states unequivocally that "any measures to reduce racial conflicts must be the result of efforts initiated within the Union itself." It is also emphasized that "it is for the South African people themselves to solve their problem." The validity of both points is borne out in the experience of all of us in the human-rights field. We must not lose sight of them in our consideration of the present item.

At the same time, the Commission's report states that there is a place for "disinterested international offers of good offices." It also ventures to suggest, presumably for the consideration of the people of South Africa, various means that might be useful in bringing about a peaceful settlement. But, according to the Commission's own reasoning, its suggestions can be useful only if the South African people themselves decide to draw upon them. This is also our view, Mr. Chairman. The list of suggestions contained in the Commission's report can be of utility and are valid only if the South Africans decide to employ any of these means.

I should like also to comment on the suggestion in the Commission's report that the United Nations should offer to set up at South Africa's request "a committee of technical experts specializing in the planning of economic and social development, particularly in multi-racial societies, who might be asked to catalogue all the various forms of assistance which the United Nations and the Specialized Agencies can supply."

Mr. Chairman, the United Nations and the specialized agencies may well have the experience and be in a position to provide such technical assistance. However, we cannot agree with the Commission's apparent intention that this arrangement should be made for South Africa only. This would give the unjustifiable impression that South Africa is the only member needing such advice and assistance. Most of us here have and admit our problems in this field. If there is to be any such arrangement for an exchange of technical advice and experience, certainly it should not be an arrangement covering one country alone. Rather, it might be a pool within the United Nations upon which all members could draw and to which all might contribute as they could.

Finally, Mr. Chairman, I should like again to underscore our belief that the constructive approach to problems of human rights is in the perspective of the worldwide human-rights situation. For my delegation that means that we must continue to proclaim as the standard to which all of us should aspire the general principle of respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion. Each in our own way and in accordance with our own situation can and must make advances as rapidly as feasible if the goals of the charter in the field of human rights are to be realized.

#### EXPLANATION OF VOTE

U.S. delegation press release 2071 dated December 8

As I indicated in my speech in the general debate on this item, the United States does not regard the perpetuation of the United Nations Commission on the Racial Situation in the Union of South Africa as the proper means of dealing with the situation. We continue to believe that the most useful way in which to approach this prob-

lem of human rights is, first, to relate its consideration to developments and conditions throughout the world and, second, for the Assembly to state, and where appropriate to reaffirm, the objectives to which all members should aspire in the promotion and encouragement of human rights. In the long run, we think this course would be more effective in bringing about the result we all desire than any other action within the competence of this body.

We will support the first amendment submitted by Argentina, Brazil, and Cuba<sup>5</sup> calling for the deletion of the fifth paragraph of the preamble, for the same general reasons expressed by the distinguished representative of Argentina [Rodolfo Munoz] yesterday.

Without reflecting in any way upon the personnel of the Commission and particularly its chairman, we have always entertained serious doubts as to the usefulness of the Commission's work. Nothing it has done or said in its report during the past 2 years has altered our judgment of its lack of practical value in the South African situation. Whatever may have been the basis at the outset for the contrary view, we see no reason to prolong its existence now and consequently oppose and will vote against operative paragraphs 6 and 7 of the 20-power resolution which continues the Commission and requests it to report to the tenth session.<sup>6</sup>

Furthermore, we will vote against paragraph 4 as amended which invites South Africa to take into account the experiences of other multiracial societies as described in chapter 7 of the Commission's report. We believe the amendment improves the paragraph, but we still cannot support it. Aside from the error of urging one country to follow the patterns followed by others, to refer South Africa to the experience of other multiracial states seems to rest upon the assumption that the situation elsewhere is in every case beyond criticism—which is simply not true. I would like to repeat my earlier criticisms of this chapter, which in its comments on Soviet racial policies seems to us to be highly naive, to say the least. As the Commission itself emphasized time and again in its report, it is for the South African people themselves to work out their problems. If

<sup>5</sup> U.N. doc. A/AC. 76/L. 21.

<sup>6</sup> U.N. doc. A/AC. 76/L. 20.

this criterion is accepted, as we believe it should be, it follows that the South African people must also decide themselves what measures are best suited to their problems.

To sum up, the United States is voting against three paragraphs of the 20-power resolution, operative paragraphs 4, 6, and 7, for the reasons I have already given. We will abstain on all other paragraphs of the resolution and on the vote on the resolution as a whole. We are abstaining because we do not believe that this resolution is the best way to achieve results. On the other hand, the United States Government, as every member of this organization knows, opposes every form of racial discrimination, and it is abstaining because it does not wish to cast a vote that could be regarded as in any way condoning the racial policies of the Union of South Africa.

In order to afford my delegation and others the opportunity of expressing their opinions on these various matters, I ask that the vote on this resolution be taken by paragraphs.<sup>7</sup>

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<sup>7</sup> On Dec. 8 the *Ad Hoc* Political Committee adopted the 20-power draft resolution (U.N. doc. A/AC.76/L. 20/Rev. 1) by a vote of 34-9-10. The resolution was approved in plenary session on Dec. 14 by a vote of 40-10-10. In each case the United States abstained.

<sup>8</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

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- United Nations Conference on the Status of Stateless Persons. Final Act. E/CONF.17/5, [September 28, 1954]. 28 pp. mimeo.

### Security Council

- Decisions Taken and Resolutions Adopted by the Security Council During the Year 1953. S/INF/8. August 20, 1954. 12 pp. mimeo.
- Letter Dated 10 September 1954 from the Representative of the Union of Soviet Socialist Republics Addressed to the President of the Security Council. S/3288, September 10, 1954. 5 pp. mimeo.
- Report by the Chief of Staff of the Truce Supervision Organization to the Secretary-General Concerning the Incident in the Beit Liqya Area. S/3290, September 14, 1954. 10 pp. mimeo.
- Letter Dated 30 September 1954 from the Permanent Representative of Egypt to the President of the Security Council. S/3298, October 1, 1954. 1 p. mimeo.
- Letter Dated 4 October 1954 from the Representative of Israel Addressed to the President of the Security Council. S/3300, October 4, 1954. 1 p. mimeo.
- Letter Dated 5 October 1954 from the Observer of Italy to the United Nations and the Representatives of the United Kingdom, the United States of America and Yugoslavia, Addressed to the President of the Security Council [transmitting the October 5 Memorandum of Understanding regarding Trieste]. S/3301, October 5, 1954. 12 pp. mimeo.
- Letter Dated 7 October 1954 from the Permanent Representative of Egypt to the President of the Security Council. S/3302, October 7, 1954. 1 p. mimeo.
- Letter Dated 12 October 1954 from the Permanent Representative of the Union of Soviet Socialist Republics, Addressed to the President of the Security Council [taking cognizance of the Trieste agreement]. S/3305, October 13, 1954. 1 p. mimeo.

### Secretariat

- Standard Minimum Rules for the Treatment of Prisoners. Observations Relating to the Revised Draft of Standard Minimum Rules for the Treatment of Prisoners Approved by the International Penal and Penitentiary Commission on 6 July 1951. ST/SOA/SD/L.1/Add.1/Corr.1, September 7, 1954. 1 p. mimeo.



## TREATY INFORMATION

### Income-Tax Convention With Federal Republic of Germany

Press release 724 dated December 21

On December 20, 1954, the income-tax convention between the United States and the Federal Republic of Germany was brought into force by virtue of the exchange of instruments of ratification at Bonn.

The Convention for the Avoidance of Double Taxation With Respect to Taxes on Income was signed at Washington on July 22, 1954. On August 20, 1954, the Senate gave its advice and consent to ratification of the convention. The President ratified it on September 22, 1954.

The provisions of the convention follow, in general, the pattern of income-tax conventions between the United States and a number of other countries. It is designed to remove an undesirable impediment to international trade and economic development by doing away as far as possible with double taxation on the same income.

Under the terms of the convention, it is effective for taxable years beginning on or after the first day of the calendar year in which such exchange takes place, namely, January 1, 1954.

In the United States the provisions of the convention establishing rules for avoidance of double taxation and for administrative cooperation apply only to Federal taxes and do not apply to the imposition of taxes by the States, the District of Columbia, or the territories or possessions of the United States. In the Federal Republic of Germany the convention applies to the income tax, corporation tax, and the Berlin emergency contribution (*Notopfer*).

### U.S. and Panama Complete Negotiations for New Treaty

#### JOINT STATEMENT <sup>1</sup>

Press release 727 dated December 21

Negotiations, commenced in September 1953, have been completed for a new treaty and certain

<sup>1</sup> Released simultaneously at Panama City.

understandings regarding matters of common concern to Panama and the United States arising from the construction, operation, maintenance, and protection of the Panama Canal. The United States and Panama are pleased to find themselves in agreement on the solution of various important matters which representatives of the two Governments have been considering for more than a year.

Signing of the documents is expected to take place in Panama in early January. Foreign Minister José Ramon Guizado will sign the treaty and understandings on behalf of the Republic of Panama and Ambassador Selden Chapin for the United States. The agreements will be subject to ratification in conformity with the constitutional methods of each country.

### Current Actions

#### MULTILATERAL

##### Automotive Traffic

Convention on road traffic, with annexes. Dated at Geneva September 19, 1949. Entered into force March 26, 1952. TIAS 2487.

*Accession deposited* (excluding annexes 1 and 2): Australia, December 7, 1954.

Convention on customs facilities for touring. Done at New York June 4, 1954.<sup>1</sup>

*Signatures*: Japan, December 2, 1954; Luxembourg, December 6, 1954.

Customs convention on the temporary importation of private road vehicles. Done at New York June 4, 1954.<sup>1</sup>

*Signatures*: Japan, December 2, 1954; Luxembourg, December 6, 1954.

##### Customs Tariff

Protocol modifying the convention signed at Brussels July 5, 1890 (26 Stat. 1518) providing for formation of an International Union for the Publication of Customs Tariffs. Done at Brussels December 16, 1949. Entered into force May 5, 1950.<sup>2</sup>

*Adherence deposited*: Costa Rica, October 27, 1954.

##### Southeast Asia Defense Treaty

Southeast Asia collective defense treaty, and protocol. Signed at Manila September 8, 1954.<sup>1</sup>

*Ratification deposited*: Thailand, December 2, 1954.

##### Telecommunications

International telecommunication convention. Signed at Buenos Aires December 22, 1952. Entered into force January 1, 1954.<sup>2</sup>

*Ratifications deposited*: Ethiopia, November 3, 1954; Pakistan, November 3, 1954.

##### Trade and Commerce

International convention to facilitate the importation of commercial samples and advertising material. Dated at Geneva November 7, 1952.<sup>1</sup>

*Accessions deposited*: Switzerland, December 4, 1954; (with reservation) Spain, September 9, 1954.

<sup>1</sup> Not in force.

<sup>2</sup> Not in force for the United States.

## War

Geneva convention relative to treatment of prisoners of war;

Geneva convention for amelioration of the condition of the wounded and sick in armed forces in the field;

Geneva convention for amelioration of the condition of wounded, sick and shipwrecked members of armed forces at sea;

Geneva convention relative to protection of civilian persons in time of war.

Dated at Geneva August 12, 1949. Entered into force October 21, 1950.<sup>2</sup>

*Ratification deposited (with reservations):* Poland, November 26, 1954.

## BILATERAL

### European Coal and Steel Community

Agreement between the United States of America and the European Coal and Steel Community supplementing and amending the loan agreement dated April 23, 1954 (TIAS 2945). Signed at Luxembourg December 8, and at Washington December 16, 1954. Entered into force December 16, 1954.

### Germany

Convention for the avoidance of double taxation with respect to taxes on income. Signed at Washington July 22, 1954.

*Entered into force:* December 20, 1954 (date of exchange of ratifications).

### Italy

Agreement relating to the loan by the United States of two submarines, the *Barb* (SS-220) and the *Dace* (SS-247), to Italy. Effected by exchange of notes at Washington April 27, 1954. Entered into force April 27, 1954.

## PUBLICATIONS

### Recent Releases

*For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.*

**The General Agreement on Tariffs and Trade—Negotiations Under the Trade Agreement Act of 1934 as Amended and Extended.** Pub. 5653. Commercial Policy Series 145. 40 pp. 20¢.

Announcement by the Interdepartmental Committee on Trade Agreements of reciprocal tariff negotiations involving Japan, including notice of U.S. intention to negotiate, list of products to be considered, and notice of public hearings.

**London and Paris Agreements, September–October 1954.** Pub. 5659. International Organization and Conference Series II, 5. 128 pp. 45¢.

A pamphlet which includes the various agreed documents resulting from the Nine-Power Conference held at London from September 28 to October 3, the Conferences held at Paris October 20–23, and the transcript of the report

<sup>2</sup> Not in force for the United States.

made by the Secretary of State to the President and the Cabinet and the American people on October 25, 1954.

**Technical Cooperation—Rural Improvement Program.** TIAS 2843. Pub. 5275. 16 pp. 10¢.

Agreement between the United States and Egypt—Signed at Cairo March 19, 1953. Entered into force March 19, 1953.

**Technical Cooperation—Program of Agriculture.** TIAS 2857. Pub. 5298. 12 pp. 10¢.

Agreement between the United States and Nicaragua, superseding agreement of January 25 and February 1, 1950—Signed at Managua June 30, 1953. Entered into force June 30, 1953.

**Trade-Mark Registration.** TIAS 2860. Pub. 5305. 6 pp. 5¢.

Agreement between the United States and Denmark. Exchange of notes—Signed at Washington June 26 and October 15, 1953. Entered into force October 15, 1953; operative retroactively September 17, 1953.

**Regulation of Production and Marketing of Sugar.** TIAS 2862. Pub. 5309. 7 pp. 10¢.

Protocol between the United States and Other Governments, prolonging the International Agreement of May 6, 1937—Signed at London August 30, 1952. Operative September 1, 1952.

**Navigation, Transfer of Loran Stations in Newfoundland to the Canadian Government.** TIAS 2865. Pub. 5317. 4 pp. 5¢.

Agreement between the United States and Canada. Exchange of notes—Signed at Ottawa June 26 and 30, 1953. Entered into force June 30, 1953.

**Whaling, Amendments to the Schedule to the International Whaling Convention Signed at Washington December 2, 1946.** TIAS 2866. Pub. 5318. 5 pp. 5¢.

Adopted at the Fifth Annual Meeting of the International Whaling Commission London, June 1953. Entered into force October 8, 1953.

**Naval Mission to Chile.** TIAS 2867. Pub. 5319. 3 pp. 5¢.

Agreement between the United States and Chile, extending and amending agreement of February 15, 1951. Exchange of notes—Signed at Washington October 6 and 26, 1953. Entered into force October 26, 1953.

**Defense, Military Facilities in Greece.** TIAS 2868. Pub. 5326. 11 pp. 10¢.

Agreement between the United States and Greece—Signed at Athens October 12, 1953. Entered into force October 12, 1953.

**United States Air Force Mission to Cuba.** TIAS 2869. Pub. 5321. 4 pp. 5¢.

Agreement between the United States and Cuba, extending agreement of December 22, 1950, as extended. Exchange of notes—Signed at Washington July 7, September 21, and October 13, 1953. Entered into force October 13, 1953.

**Air Force Mission to Honduras.** TIAS 2872. Pub. 5327. 2 pp. 5¢.

Agreement between the United States and Honduras, extending agreement of March 6, 1950. Exchange of notes—Signed at Washington October 5 and November 23, 1953. Entered into force November 23, 1953.

January 3, 1955

## Index

Vol. XXXII, No. 810

<b>Asia</b>	
China and the Stakes in Asia (Jenkins) . . . . .	3
Third Colombo Plan Report Released . . . . .	16
<b>China.</b> China and the Stakes in Asia (Jenkins) . . . . .	3
<b>Communism.</b> China and the Stakes in Asia (Jenkins) . . . . .	3
<b>Economic Affairs</b>	
Income-Tax Convention With Federal Republic of Germany . . . . .	37
Promoting the International Flow of Private Capital (Straus) . . . . .	19
Third Colombo Plan Report Released . . . . .	16
<b>France</b>	
Assembly Adopts Resolution on Morocco by Overwhelming Vote (statements and text of resolution) . . . . .	28
U.N. Expresses Confidence in French-Tunisian Negotiations (statements and text of resolution) . . . . .	30
<b>Germany.</b> Income-Tax Convention With Federal Republic of Germany . . . . .	37
<b>Hungary.</b> Release of Balloon Leaflets Over Hungary (text of U.S. note) . . . . .	14
<b>International Information.</b> Release of Balloon Leaflets Over Hungary (text of U.S. note) . . . . .	14
<b>International Organizations and Meetings.</b> Calendar of Meetings . . . . .	18
<b>Israel.</b> U.N. Extends Mandate of Relief Agency for Palestine Refugees (statements and text of resolution) . . . . .	24
<b>Jordan.</b> U.N. Extends Mandate of Relief Agency for Palestine Refugees (statements and text of resolution) . . . . .	24
<b>Morocco.</b> Assembly Adopts Resolution on Morocco by Overwhelming Vote (statements and text of resolution) . . . . .	28
<b>Military Affairs.</b> Strategic Concept (Dulles) . . . . .	12
<b>Mutual Security</b>	
North Atlantic Council Meets at Paris (statement and text of communique) . . . . .	9
Strategic Concept (Dulles) . . . . .	12
Third Colombo Plan Report Released . . . . .	16
<b>North Atlantic Treaty Organization.</b> North Atlantic Council Meets at Paris (statement and text of communique) . . . . .	9
<b>Panama.</b> U.S. and Panama Complete Negotiations for New Treaty (joint statement) . . . . .	37
<b>Presidential Documents.</b> Nelson A. Rockefeller Appointed Special Assistant to the President . . . . .	16
<b>Publications</b>	
Current U.N. Documents . . . . .	36
Recent Releases . . . . .	38
<b>Refugees and Displaced Persons.</b> U.N. Extends Mandate of Relief Agency for Palestine Refugees (statements and text of resolution) . . . . .	24
<b>South Africa, Union of.</b> The Problem of Apartheid in South Africa (Wadsworth) . . . . .	32

<b>Treaty Information</b>	
Current Actions . . . . .	37
Income-Tax Convention With Federal Republic of Germany . . . . .	37
U.S. and Panama Complete Negotiations for New Treaty (joint statement) . . . . .	37
<b>Tunisia.</b> U.N. Expresses Confidence in French-Tunisian Negotiations (statements and text of resolution) . . . . .	30
<b>United Kingdom (Cyprus).</b> U.N. Cuts Off Discussion of Cyprus Question (statements and text of resolution) . . . . .	31
<b>United Nations</b>	
Assembly Adopts Resolution on Morocco by Overwhelming Vote (statements and text of resolution) . . . . .	28
Current Documents . . . . .	36
The Problem of Apartheid in South Africa (Wadsworth) . . . . .	32
U.N. Cuts Off Discussion of Cyprus Question (statements and text of resolution) . . . . .	31
U.N. Expresses Confidence in French-Tunisian Negotiations (statements and text of resolution) . . . . .	30
U.N. Extends Mandate of Relief Agency for Palestine Refugees (statements and text of resolution) . . . . .	24

## Name Index

Dulles, Secretary . . . . .	9, 12
Eisenhower, President . . . . .	16
Jenkins, Alfred le S. . . . .	3
Lodge, Henry Cabot, Jr. . . . .	28, 31
Rockefeller, Nelson A. . . . .	16
Straus, Roger W. . . . .	19
Wadsworth, James J. . . . .	24, 30, 32

### Check List of Department of State Press Releases: December 20-26

Releases may be obtained from the News Division, Department of State, Washington 25, D. C.

Press release issued prior to December 20 which appears in this issue of the BULLETIN is No. 722 of December 17.

No.	Date	Subject
723	12/20	Reply to Hungary on balloon leaflets.
724	12/21	Income-tax convention with Germany.
*725	12/21	Educational exchange.
726	12/21	Dulles: NAC meeting.
727	12/21	Agreement with Panama.
728	12/21	Dulles: Strategic Concept.
†729	12/23	Return of naval craft by U.S.S.R.

\*Not printed.

†Held for a later issue of the BULLETIN.

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